

## Mr Benn proposes timetable of one month to abolish Lords and leave EEC

Within a month of taking office the next Labour government would need to rush through three Bills to extend nationalization, take back powers from the EEC and abolish the House of Lords, Mr Wedgwood Benn told the

first day of the Labour Party conference in Blackpool yesterday. Labour would have to create 1,000 peers to abolish peerages. That suggestion brought roars of approval from many delegates. But there were appalled reactions in

private from party leaders, including some left-wingers. Mr Benn's ideas overshadowed appeals for unity from Mr Denis Healey and Mr Michael Foot. Mrs Shirley Williams said the party was in danger of entering a dream world.

## Appalled reaction from leaders over 'demagogy'

From Fred Emery  
Political Editor,  
Blackpool

The next Labour government, in order to get instant implementation of the socialist economy, would, within one month of taking office, need to rush through three Bills to extend nationalization, take back powers from the EEC and abolish the House of Lords, Mr Wedgwood Benn told the

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Mr Wedgwood Benn at Blackpool yesterday. Proposal to abolish Lords greeted by a roar of acclaim.

Mr Benn had his new Acts getting on in the statute book, that raised questions of how such an experienced former minister could expect the party to be taken seriously. Mr Benn himself offered no elaboration. He just said it had to be done. Indeed, he suggested that the economic programme was "moderate" when compared to the task Labour would face in rebuilding the economic ruin the Tories were expected to have left behind.

Mr Benn was answering an economic duty which included Janus-like proposals, all eventually accepted, for and against incomes policies. However, the main proposals for a reversal of economic policy were pretty standard fare for a Labour conference.

They were to put controls on capital exports, and on imports of manufactured goods; extend public ownership and industrial democracy; cut arms spending; introduce a 35-hour week; and introduce a 35-hour week with no loss of pay.

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## Warning on fascism of the left

From George Clark,  
Political Correspondent,  
Blackpool

Giving a warning to the Labour Party that it was in danger of entering a dream world, Mr Wedgwood Benn said that the party was in danger of entering a dream world.

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## World faces two years of recession, IMF says

From David Blake,  
Economics Editor,  
Washington, Sept 29

## Iraqi oil terminals damaged as bombardment shows Iranians are not beaten yet

From Robert Fisk,  
Al Faw, September 29

Nine days after the Iraqi oil port of Al Faw was under constant shelling, the two deep-sea oil terminals 20 miles off the coast have been severely damaged by Iranian rockets.

Four oil-storage depots in Al Faw are on fire and the Iraqi Army has failed to attack Iranian guns on the opposite bank of the Shatt al-Arab waterway.

At noon today Iranian ships were landing round Al Faw at the rate of one every 25 seconds and it was unsafe even to drive along the promenade. The windows and doors of empty houses in the city centre rattled and banged as each round exploded, the shells landing over the harbor and striking beyond the oil-storage depot.

An official of the Iraqi National Oil Company, a technical economics graduate from Newcastle upon Tyne University, said that the two deep-sea terminals, Khor al-Amara and Al Bakr, had been severely damaged by Iranian shells and rockets. As he spoke, the sound of exploding shells came from the far side of the oil dock in the almost deserted city.

News of the damage to the terminals will be received with deep concern by oil companies throughout the world. The two terminals are the only ones that handle Iraq's total oil-exporting capacity.

The Al Bakr terminal (named after the country's last President) is one of the most modern in the world. It was opened in 1976 and like the Khor al-Amara, is served by two pipelines and four super-tankers.

There are now about 95 ships marooned in the Shatt al-Arab between Al Faw and Basra, up

forces had quickly overwhelmed a series of small fortified positions in their first assault, the troops fought on for 10 hours before being driven back.

On the Iranian side, a senior official in the south-western city of Dezful today denied Iraqi claims to have captured the local air base and radar station, and said Iraqi forces had been driven back.

Two days ago, Baghdad claimed to have taken the entire city, which is an important stronghold in the oil province of Khuzestan. But Iranian officials said the city had been taken only by the base and radar station, on the outskirts of Dezful, had been captured.

The Deputy Governor said an Iraqi advance was halted yesterday, about 12 miles from the city, by Iranian air and ground forces and prisoners taken.

They are being interrogated in the room next to me," he said, adding that Iraqi troops had been pushed back to about six miles from the frontier, he added.

Iran's damaged Iraqi ambitions, Cairo oil, Iraq map and photograph, page 6

## UN awaits outcome of Zia mission

From David Spanier,  
New York, Sept 29

## Battle for Iranian oil province's capital

From Robert Fisk,  
Al Faw, September 29

Prospects of a ceasefire between Iran and Iraq seemed no closer today, despite United Nations efforts to follow up a Security Council resolution calling for the parties to refrain from any further use of force.

A message from Kurt Waldheim, the United Nations Secretary-General, that Iraq would abide by the resolution if Iran would do likewise was taken as part of the diplomatic struggle rather than as a practical offer.

The next step is likely to be a meeting of the Security Council, probably tomorrow, to hear from Dr Waldheim on developments.

President Zia-ul-Haq of Pakistan, who is reporting on his good-will mission to Tehran and Baghdad and his estimate of the chances of pursuing his contacts will be eagerly awaited.

A certain amount of ground was detectable in the corridors of the United Nations today, in view of the pressure on the organization to influence events.

Text of resolution, page 6

## National strike threat by Poland's free unions

Warsaw, Sept 29

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Warsaw, Sept 29

The new independent trade unions are said to be planning a national strike next month in protest over the Government's failure to pay promised wage increases and over official obstructions placed in the way of their movement.

The strike would be held on Friday throughout Poland as a warning.

At the same time, a Communist Party branch at Warsaw University virtually demanded the impeachment of officials responsible for the nation's economic and political mess.

Meeting in Gdansk, delegates from 36 inter-factory union branches, representing 100,000 workers, adopted a resolution on the Government until October 20 to meet their demands.

It was the first show of strength by the movement, which came into being as a result of the Gdansk agreement

of August 31, in which the Government gave way to some demands for national strikes and free unions.

The free unions are growing fast, with estimates of their membership ranging from three million to more than seven million, a well over half the total labour force.

The official news agency said today that Poland was running short of coal, its principal fuel, and production had fallen four million tonnes below target since the start of the year.

The agency also blamed the production slump on the virtual abolition of the 24-hour shift system which was one of the Solidarity movement's demands.

It said that the Government was accused of gross bias in favour of the Communist Party in the next month's elections, was accused of gross bias in favour of the Communist Party in the next month's elections, was accused of gross bias in favour of the Communist Party in the next month's elections.

## Nato deployed paper ships during exercise

During the recent Nato Teamwork exercise, a convoy had so few escorts that admirals deployed warships that existed only on paper. A New York Times report said that only about half of the United States Navy's aircraft carriers and 94 of its 155 air squadrons were considered to be "combat ready" this month.

## Prison officers warned

The Home Secretary warned prison officers that their plan for industrial action over payment for meal breaks would do grave harm to the prison community. The officers are to meet on Thursday to decide on action on their claims, estimated to cost £5m. Page 3

## Neo-Nazis are freed

All six members of a banned neo-Nazi group who were arrested in connection with Friday's bomb outrage in Munich have been released. The West German Federal Prosecutor's Office said, Franz Josef Strauss, the Opposition Chancellor-candidate in next month's elections, was accused of gross bias in favour of the Communist Party in the next month's elections.

## Arms for Thailand

Intelligence analysts in Bangkok continued to report the arrival of fresh Soviet military supplies in Vietnam and Kampuchea as shipments of American arms for Thailand's armed forces were being unloaded. The American supplies include tanks and automatic rifles. Page 7

## Women lose out

No women were appointed last year in consultant or senior registrar posts in general surgery, statistics show. There are only eight women consultant surgeons in England and Wales, compared with 950 men. The Royal College of Surgeons is to meet the Medical Women's Federation to discuss the disparity. Page 5

## EEC accord on fish

EEC ministers finally reached agreement in Brussels on fish conservation, culminating five years of wrangling. The agreement will require the Datas in part of the North Sea "pour box" where Britain had been fishing to conserve immature haddock and whiting. British fishing representatives in Brussels were critical and some spoke of a "sell-out". Earlier report, page 5

## Peking trial denial

Mao Tse-tung's widow is not to be accused of having plotted to murder her husband. However, a statement by Mao's successor, Mr Hua Guofeng, that there will be no death sentences passed on her or her codefendants, has been repudiated by an official spokesman. Page 6

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## IRAN/IRAQ WAR

## Iranian envoy wants Basra as reparation

Moscow, Sept. 29.—Iran's Ambassador to the Soviet Union suggested today that his country would agree to a ceasefire with Iraq only if President Saddam Hussein resigned and Baghdad made other political and territorial concessions.

The ambassador, Mr. Muhammad Mokri, told a press conference that he felt the Iraqi Army would have to surrender and hand its weaponry over to the Iranians as another condition for an end to hostilities.

Mr. Mokri, who is known to be close to Ayatollah Khomeini, listed the two points among four conditions which he said he believed the Iranian people would demand.

The others were that the Iraqi oil city of Basra be handed over to Iran temporarily as a war reparation and that the Kurds of Iraq be granted a referendum to decide whether they wanted autonomy or to join Iran.

The ambassador declined to say if the four points were official policy or whether they had been put to President Zia ul-Haq of Pakistan who visited Tehran at the weekend on a peace mission from the Islamic Conference.

"I think these are the conditions sought by the population and you may draw your own conclusions from that," Mr. Mokri declared.

He listed the conditions as follows:

1. President Hussein should resign and clear the way for a "true representative of the Iraqi people with whom we can negotiate".
2. The Iraqi Army should surrender and place its weapons at the disposal of the Iranian armed forces.
3. Basra, just across the border and at the head of the disputed Shatt al-Arab waterway, should be handed over to Iran as a war reparation. When the cost of the damage caused by Iraq in Iran had been recuperated, "the city could be returned on the basis of a plebiscite if the people so wish".
4. The Kurds of Iraq "who are known to be dissatisfied" should be granted a referendum "to see if they want autonomy or to join Iran".

Mr. Mokri said Iraq had begun to seek "mediation" to arrange a ceasefire because it had failed to smash the Iranian armed forces.

He said the attack on his country was "a plot hatched long ago by United States imperialism".

In Baghdad last night President Hussein listed Iraq's conditions for peace. He said Iran would have to recognize his country's "legitimate territorial rights and water rights and return three disputed islands for the Gulf to Arab sovereignty."

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A bridge over the Shatt al-Arab waterway destroyed by an Iranian Air Force bomb attack.

## Iraqi President manoeuvres to fill power vacuum in Middle East

By Richard Owen

Whether or not Iraq has been planning for war as such, it has certainly been manoeuvring for some time to gain a strong central position in the Middle East politically as well as geographically.

President Saddam Hussein has moved shrewdly to take advantage of the power vacuum opened up by two events within the past two years.

These are the rapprochement between Israel and Egypt, which he feels has removed Egypt from leadership of the Arab world; and the fall of the Shah, which weakened Iran economically and militarily, and offered Iraq a chance to strike a deadly blow at the hated Persians on behalf of the Arabs as a whole.

The Arab reaction has been mixed. The Gulf states were greatly alarmed by the outbreak of fighting just over a week ago, even though skirmishing on the Iran-Iraq border had been going on for some time.

When President Hussein abrogated the 1975 treaty governing use of the disputed Shatt al-Arab waterway, setting off full-scale war, the Gulf states feared that the fighting might spread and threaten their own security.

The sight of blazing refineries at Basra and Abadan heightened fears for their own oil industries.

Some Arab nations have also been placed in a difficult position because of residual loyalties toward Tehran as the home of the Islamic resurgence.

On the other hand, the Iranian revolutionaries are Shia Muslims, whereas most Arabs are Sunni.

The wild and often irrational behaviour of Ayatollah Khomeini and his followers has disturbed the more conservative Arab states and there would be few tears if he were to fall as a result of the war.

It now looks as if most Arab states are swinging towards some recognition of Baghdad's claims to a central position in the Arab world. This is certainly true of the United Arab Emirates, which are beholden to Mr. Hussein for his attempts to regain for the Arabs the three Gulf islands seized by Iran in 1971.

It is also true of Saudi Arabia, which has been carefully courted by President Hussein, and which has declared its firm support for Iraq in the conflict.

Egypt has taken a more reserved line, but Jordan was one of the first to offer help to its brother Arabs in Iraq.

Unless President Hussein achieves a remarkable military victory, however, it seems unlikely that the Arabs will hail him as the successor to Gamal Abdul Nasser.

The Arab nations are more likely to encourage the Iraqi leader while seeking to contain him, perhaps within the framework of the Islamic Conference, which hopes to act as mediator.

Containment of an emergent Iraq is also the aim of the two superpowers. Neither Moscow nor Washington commands enough leverage in Tehran or Baghdad to gain much from a victory by either side.

Among Mr. Hussein's calculations must be the belief that his gradual moves away from Soviet tutelage have won him sympathy in the West. But Moscow could try to regain lost influence by supplying Iraq with the weapons and material it needs to win a decisive victory.

However, the Russians have learnt the hard way that local leaders, especially in the Middle East, can happily accept Soviet help, only to turn virulently anti-Soviet.

On the other hand, the hard fact is that the Russians are close to the area of conflict, and the invasion of Afghanistan has brought them even closer.

America by contrast is 7,000 miles away from the region, whose oil industries are so vital to the Western economy.

Military intervention by the United States would bring the danger of direct conflict with Russia. Moreover, such intervention could well be against America's own interests, which are that any regional shift in the balance of power towards Iraq should not also become a global shift in favour of Moscow.

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## Cairo calls on US to intervene

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## Israel urged to talk with PLO

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## OVERSEAS

## Chinese drop charge against widow over plot to murder Mao

From David Bonavia  
Peking, Sept. 29

Contrary to what was announced here last Saturday, Mrs. Jiang Qing will not be accused of her forthcoming trial of having plotted to murder Mao Tse-tung, her husband.

However, a statement by Mr. Hua Guofeng, Mao's successor as head of the Communist Party, to the effect that there would be no death sentences passed on Mrs. Jiang and her co-defendants, has been repudiated by an official spokesman.

As a press conference here today, the chairman of the National People's Congress, gave the impression of some confusion as to what laws exactly the defendants are being tried under. Two separate tribunals will hear the evidence, while the National People's Congress will be China's biggest political show trial.

Foreign journalists will not be admitted to the proceedings, said Mr. Zeng, who is head of the official New China news agency. It is believed that many state secrets are involved, but Chinese journalists will write up the trial, as which heads picked representatives of the media to the press conference.

Mr. Zeng said the congress standing committee had granted the request of the chief procurator for the setting up of a special procurator office and special court to try Mrs. Jiang together with other defendants.

Five of them are former top military commanders and commanders who disappeared in 1971 after the death of Marshal Lin Biao in an aircraft crash. Thirty-one judges, but no jurors, will hear the case, probably starting within a month.

The special court will be split into two tribunals, apparently one for the five military defendants, including Mr. Huang Yongsheng, the former chief of staff—and one for the civilians, including Mrs. Jiang.

There will be no right of appeal against the decision of the special court.

Mr. Zeng said: "The crimes which Lin Biao, Jiang Qing and her followers committed during the 10 years of the Cultural Revolution, including the murder of Chairman Mao, are crimes of a particularly heinous nature. They have caused irreparable damage to the Chinese people and the Chinese Revolution."

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**Moore Family Pictures**  
Julian Hartnoll









## EDUCATIONAL TYRANNY

te on education at the party conference yesterday swept along by indignant public spending cuts. Actual motions before the conference went almost unopposed. Even Mr Neil Kinnock, in the face of the abuse of the delegates, felt it necessary only to urge the delegates that restoring cuts might depend on what the incoming Labour government would afford. There was virtually no examination or analysis of the significance of the motions put to be adopted as official party policy, even though they represented in several important respects a new phase in the party's long-standing campaign against the independent schools. One motion called on a future Labour Government to legislate the abolition of private education. The charging of fees by independent schools would be illegal, and their premises facilities handed over for "in the wider community use" according to plans that education authorities would be required to prepare. These proposals are significantly more drastic and urgent than the heretofore affirmation, in the last Labour manifesto, of Labour's "aim to end, as soon as possible, the existence of such schools". The new formula, which was adopted almost unanimously, is to figure in a future manifesto, where it will represent a heavy new public spending commitment and a striking blow to the voter of the way which devotion to a concept of equality can lead the

Labour Party to disregard the principles of individual liberty that it claims to uphold.

The new commitment is a shorthand version of complex recommendations put forward in the summer by a committee led by Mr Kinnock, for the creation of a national "agency" to oversee the reassignment of the assets of the independent schools. The process of conversion has made the policy cruder and broader: taken at face value, yesterday's motion would strip independent and charitable status even from schools catering for the handicapped. This has never been the intention before and probably is not now: one of the reasons for caution in the past about legislation has been the difficulty of establishing satisfactory criteria for excluding such schools. Mr Kinnock's report also confessed that the cost to the state of educating children now taught privately would be far greater than the tax and other advantages that independent schools gain from public sources at present, a point overlooked by many speakers yesterday who recommended the plan to Mrs Thatcher as a great economy in public spending.

But these are not the most important reasons why the plan for abolition by law is bad. It is a fundamental issue of principle that education should not become a state monopoly. Whether the state does the job well or badly—and one only has to consider education under the Nazis to see that it is not always good—the state cannot be trusted with the power to suppress all schools existing outside its auspices. The

right of minorities to have their children educated as they see fit, subject to broad conditions about basic standards, is a basic one. It is safeguarded both by the United Nations Covenant on Economic, Social and Cultural Rights and by the European Convention on Human Rights, to both of which Britain is signatory. Mr Kinnock was directly challenged on this point yesterday and did not answer.

It is no reply to point to the protection given to minorities by the existence of the voluntary aided schools within the maintained system, when the proposition is that such schools should be deprived of their right to withdraw from it in the last resort. Still less is it a reply to say that the many parents who cannot afford private education and the many more who do not wish to do so make up together a majority of ninety per cent: the fact that economic obstacles prevent some from exercising a human right is no excuse for using the law to extinguish it altogether. There are other ways to carry on the attack on injustice in society. The onslaught on private education is a more serious invasion of basic human rights than any socialist project yet carried out in British law. To deny to parents the right to educate their children as they, rather than the state, think right is a form of compulsion that strikes at the liberty of the individual, at liberty of conscience, at liberty of religion and at liberty of opinion. It is indeed an historic mark of slavery that slaves have to suffer their children to be educated at the will of their masters.

## THE ITALIAN CRISIS IS SERIOUS

is now in the midst of yet her political crisis, and one looks more serious than . One of the main objects of the Cossiga government, with its incipience of the Socialists, to show that it was possible to put together a parliamentary party which did not depend on the Communists, even for support. For the time being, at least, the attempt has failed. Instead, the government fell, use there were a number of voters in the Christian Democratic and Socialist parties who were not prepared to see the Communists excluded in this. They did not have the courage to vote publicly against the government on Saturday when a vote of confidence was put, the result that the government won by a majority of 65. But barely 20 minutes after a secret ballot was taken, the government lost by one vote, 298 to 297. Understandably enough, the Communists are jubilant about success. They are not being in a situation in which the Government did not

have to have an understanding with them, and for the past few months they have made great efforts to bring Signor Cossiga down. Earlier this month, for instance, Signor Berlinguer, the party leader, made an unusually strong speech attacking the government for not providing enough funds for investigation of the bomb explosion in Bologna this summer, and going on to criticize its handling of neo-fascist violence in general. More recently, he announced that if the workers at Fiat decided to occupy the company's premises in protest against plans to dismiss more than 14,000 employees, the party would support them.

One of the main targets, both of the Communists and of leftists in the government parties, appears to have been Signor Craxi, the secretary of the Socialist Party, a convinced socialist democrat and a man whose prestige has risen lately. He is a strong supporter of the alliance with the Christian Democrats, and there had even been suggestions that in a future coalition the Christian Demo-

crats might agree to his being Prime Minister. The fall of the Government means that he is likely to be weakened when his party has its congress towards the end of the year.

The heat has been taken out of the Fiat dispute by the management's announcement that it was suspending its dismissals plan—something that has also been hailed as a victory by the Communists. But the issue on which the government fell was its recent programme of economic measures, designed to deal with Italy's current difficulties; and that means that a new economic strategy will have to be devised, and as soon as possible. Once again, President Pertini has an unenviable task. It is not just that he has to go through the process of elaborating a new government formula, based on the Christian Democrats and, one presumes, excluding the Communists. It is also that he has to do so at a time when a promising formula has failed, and when public opinion can hardly have been edified by the way in which the Cossiga government was toppled.

## THE MONETARY POLICY OF THE US

that the United States is in a state of recession much more serious than had been generally expected. It is, however, a problem of the strongest indications so far has come from the resurgence in monetary policy. Already the Federal Reserve, the United States central bank, has moved to curb resurgence, its actions causing interest rates to rebound into double figures. That raises the question of whether the Fed's actions tend to abort the recovery. For example, if unhelpful, it is that it is too early to should the seeds of recovery to germinate over the coming months, blame may well be laid at the Fed's door. The United States position proved in the second half of this year, it has been severe enough, not sufficiently prolonged, to make any impact on underlying inflationary pressures. Against kind of background the Fed

has had no choice but to act on the side of caution. Were it to do otherwise it would be running a far greater risk. Recent economic history is the tale of recoveries that have been generated from progressively higher "bases" of inflation. Somewhere that process has to be stopped, and in the case of the United States it needs to be halted before the next round of "reflation" carries the inflation rate well above the 20 per cent level.

On the face of it, the United States Administration has made some attempt over the past couple of years to get to grips with the federal Government's deficit, and the monetary pressures posed by that deficit. It is also true that this election campaign has seen some attempt made to relate tax-cutting promises to financial rectitude. But the fact remains that federal Government borrowing, and more particularly "off balance sheet" borrowing by federal Government agencies, remains higher than is healthy.

If the United States now faces an autumn of much higher interest rates than once seemed

likely, it will not be without its ironies as far as the United Kingdom is concerned. For much of the summer it had appeared that the narrowing of the differential between sterling and dollar interest rates would come about as a result of lowering of sterling rates. As a result of the rise in dollar rates, however, we are already coming close to a point where the differential might be considered narrow enough to put some downward pressure on sterling.

That point has not yet been reached. But already the United Kingdom authorities must be wondering how far they can afford to lower sterling interest rates when the moment to do so arrives. Some small depreciation in sterling would undoubtedly be welcomed by exporters, while the recent behaviour of sterling under oil influence would certainly suggest little danger of an uncontrollable fall in the pound. A great deal presumably depends, however, on the extent to which the confidence of overseas and domestic investors in the United Kingdom Government's monetary policy has been undermined over the past couple of months.

## A place for exorcism

From Mr Sam Heppner  
Sir, Have we sunk to such depths of superstition, medieval ignorance that we can seriously discuss exorcism, with the implied assumption that human beings are capable of being possessed by evil spirits or the Devil himself (letters, September 18, 24)?

There is not the slightest evidence for any such possession and since beliefs of this kind have resulted in frightful misery and terrible acts of violence, would not clerics who take it on themselves to relieve those with disordered minds be better advised to refer such unfortunate people to reputable psychiatrists?

Yours faithfully,  
SAM HEPPNER,  
Cobria,  
Bagshot Road,  
Worplesdon,  
Surrey.  
September 24.

## Keeping an eye on Poland

From Count Pininski  
Sir, I am sure that all Polish people everywhere join me in thanking the Eastern press for their restrained commentaries and factual reporting of that crisis that continues to prevail in Poland. However, should the Iran/Iraq war continue to occupy the pages of the free world's press I feel the urgent need to alert and ask that press for one consideration for the coming weeks.

It has long been a policy of the Kremlin to launch military, diplomatic and propaganda offensives during periods in which the attention of the free world's press (and thus public opinion) is diverted by unconnected circumstances from that move that the Soviets might be considering.

I strongly believe that such a "smoke screen" exists at present for the following reasons:  
1. The attention of the Western press continues to focus exclusively on the Iran/Iraq conflict.  
2. The American press are all the more absorbed in this issue due to the involvement of the hostage issue.  
3. That same press will be "blind" to the international scene, as is traditional, during the period of the presidential elections.

It is becoming evident that in the present circumstances, the Kremlin would be most unlikely to take any active role in Iran/Iraq as the outcome is too unpredictable for Soviet policy's taste, but like an acquisitive museum, the Soviet supremes will have to make over opportunities for gain created by "smoke screens" such as this one. Moreover, the Kremlin would be acting according to history if they were to take their traditional attitude of achieving "what we know we can" rather than "what we only know we may".

Therefore, in these circumstances, I feel that there is a grave danger that the Kremlin might send their tanks into Poland to regain total control in a way that they might feel is both more expedient and more effective than their hitherto held policy which, in order to achieve this same end, was obliged to be more subtle in character and thus implicitly more dangerous to them.

This move would be further facilitated by the convenient location of Soviet tanks on the Polish border. Surely here is a situation in which the Western press can pre-empt a tragic and ghastly situation and thus control in a way that they might feel is both more expedient and more effective than their hitherto held policy which, in order to achieve this same end, was obliged to be more subtle in character and thus implicitly more dangerous to them.

I remain, Sir, yours faithfully,  
PETER PININSKI,  
Firs Hill,  
The High Road,  
Chipstead,  
Surrey.  
September 25.

## Vain expense

From Professor John Griffith  
Sir, "Is there anything left for the Government to do?" David Blake asks in an article (September 24). By coincidence exactly the same question occurred to me the same day.

I met a few older men collecting pieces of paper strewn on the grass and restoring to the park its extravagantly well-kept appearance. On the Serpentine were boats and I doubt very much whether the charge for their hire covers the cost. In Knightsbridge was a policeman who was probably one of those recently reported to be spending public money organizing football competitions for the young unemployed. Down the road subsidised the road would be the road to the Albert Hall booking office to open.

I could go on. A very great deal of public money is being spent by public authorities simply to make life more attractive or safer for the young and the old. Some ought to tell Mrs Thatcher to stop it.  
Yours truly,  
J. A. G. GRIFFITH,  
2 The Close,  
Stonfield Lane,  
Marlow,  
Buckinghamshire.  
September 25.

## Shrouded in mystery

From Mr John Carey  
Sir, Dom Martin Haigh's letter (September 29) gives a false impression of the report which appeared about the Turin shroud in the Catholic Herald and about the way the story was obtained. Our reporter clearly identified himself at the meeting and secured Dr McCrone's agreement to go "on the record" for the statements which were quoted in the story we published. These statements, including the one in which Dr McCrone said, "I believe it is a fake but I cannot prove it", were recorded on tape. Dr McCrone repeated substantially the same arguments at a public meeting in Cardiff the following day.

The Herald reported the story accurately: it did not comment on it. Indeed the story made it clear that Dr McCrone's view is not shared by all the scientists who have been researching into the Shroud. I agree with Dom Martin, of course, that Christian faith does not rest on the authenticity of the Shroud.  
Yours faithfully,  
JOHN CAREY, News Editor,  
Catholic Herald,  
Lamb Passage,  
Bunhill Row, E.C1,  
September 29.

## Benefits for EEC nationals in Britain

From Mrs Josephine Steiner  
Sir, Your article (September 24) on unemployed Italians scrounging on our welfare state is calculated to warm the hearts of anti-immigrationists and alarm even the staunchest supporters of the EEC.

If the facts reported are true, the lavish benefits alleged to be handed out to unemployed EEC nationals in this country are being obtained or granted under a serious misapprehension as to the substantial provisions of EEC law.

EEC law, it is true, does allow nationals of all member states of the Community to enter this country in search of employment and to remain here for a "reasonable" time. In order to assist them in their search for work there is specific provision for the payment of up to three months' unemployment benefit, provided they are entitled to it under the law of their home state. This is payable by the host state on the presentation of a certificate of entitlement issued by the home state. It is recoverable from the responsible institution in the claimant's home state unless both states have agreed to waive this requirement.

The right to the "full range of social security benefits"—apart from medical treatment, which is available to all—exists only for "workers" in this country, either employed or self-employed—who pay the same taxes and National Insurance contributions as their

British colleagues, and are entitled to equal treatment with nationals. Moreover, comparable benefits are available on a reciprocal basis to British nationals employed in other EEC countries. Benefits do of course vary from state to state, but we are not the most generous in our provision.

If the abuses which are admitted by the Department of Health and Social Security do occur, they arise, I suggest, from errors, loopholes or misunderstandings in the administration of the law, and not from the law itself.  
Yours faithfully,  
JOSEPHINE STEINER,  
Lecturer in EEC law,  
University of Sheffield,  
554 Fulwood Road,  
Sheffield,  
September 24.

From Mr Maurice Essam  
Sir, Does the Italian booklet on DHSS benefits (report, September 24) also include instructions on how to live on £15 per week? If so, as a single, unemployed man of 46 I should be most grateful for a copy.

Yours faithfully,  
MAURICE ESSAM,  
87 Mill Road,  
Woodford,  
Kettering,  
Northamptonshire,  
September 25.

## Britain's political health

From Mr Frank Paton  
Sir, Your are right (leader, September 23) to say that the Labour Party no longer reflects the wishes of the average Labour voter and that the party gives too little time to debating new policies and assessing the implications of the eighties on British society.

People are becoming increasingly disenchanted with politics as they witness the poor performance—as far as they are concerned—of the economic policies of the Conservative Government following so sharply on the difficult times associated with the Labour Administration. Mrs Thatcher did appear to offer real hope for a new beginning. The enduring characteristic of Britain today is the lack of political debate, not only in political circles but also at personal and family level, whilst by contrast, in most other nations, expressions of political views, though about the future and discussion about the society in which people want to live is very much alive and commonplace.

The emergence of dissident voices on the right of the Labour Party and the growing alliance in the centre with the Liberals are to be welcomed because they could inspire a great national debate about our future and point to a way of escaping from the poverty of our present-day system of adversarial politics. British family life and our small businesses have become oppressed by the power of our corporate institutions—the finance houses, the retail chains and the government machine for example—resulting in the discouragement of individualism and enterprise which is the heart and soul of the nation. The hope for the eighties is that we find a way to break out from the oppression of this corporatism and

liberate the latent talents of our people by developing once more a pluralist society in which people and individualism flourish, regaining a pride in their country and its achievements and bringing independence of thought and freedom of expression back into our political system.

Yours faithfully,  
FRANK PATON,  
Smockcombe House,  
Enmore,  
Bridgewater,  
Somerset,  
September 26.

From Lord Houghton of Sowerby  
Sir, While I agree with most of what Geoffrey Smith says on state aid to political parties (article, September 26) I doubt whether any acceptable scheme would be based solely on the number of seats held in Parliament. In the present House of Commons, for example, that would give the Conservative Party 53 per cent of the vote, the Labour Party 45 per cent of the vote and the Liberal Party 2 per cent. What, ever may be the conditions to qualify for state aid (eg, a minimum of seats gained, or deposits saved) the amount of aid itself should surely be based upon the votes cast.

I also doubt whether any scheme would enable a group of MPs who split from their party to "immediately get public money" to contest the next general election as a separate group.

The committee on this subject of which I was chairman expressly ruled this out. Our line was that no party or regrouping of parties could qualify without first being put to the test of popular vote at a general election.  
I am, etc.  
HOUGHTON OF SOWERBY,  
House of Lords.

## Soviet Christians

From the Bishop of Durham and others

Sir, Together with many other Christians we have been deeply disturbed by recent reports in your pages of the arrests of large numbers of Soviet citizens and the current reports of the very long terms of imprisonment being imposed on them. The vigour and scope of the present repression of freedom of thought and belief in the Soviet Union has been unequalled since Stalin's day. Our hearts go out to all these brave men and women but we feel a special responsibility to record publicly the support for the large numbers of our fellow-Christian prisoners of conscience.

For this reason we have signed a petition to be presented to the Soviet Embassy on September 30, the text of which reads:

"As a member of the clergy of one of the British churches, I wish to record my prayerful support for my colleagues Father Dimitri Dudko and Father Gleb Yakunin and for their friend, Mr Lev Repelson. I believe that their arrest and present imprisonment are due solely as a result of their faithfulness to the Gospel, of which I also am a minister. In a country which insists on complete freedom of religious belief, I believe that it is right that they should be free to continue their ministry. I call upon the Soviet government immediately to release Father Yakunin and to allow the others to continue their Christian ministry unhindered."

Three and a half thousand members of the British clergy have signed the petition.

We have signed out of these three members of the Russian Orthodox Church because of their bold and imaginative contribution to the spiritual and organisational life of their Church. They have made it a priority to aid and assist the Russian Orthodox faith which is taking place in the Soviet Union today. In

view of the preoccupation with church-state relations which dominates their church's life, this has been a courageous affirmation of Christian priorities.

A special world must be said about Father Dimitri Dudko, in view of his widely publicised "recantation" of his former attitudes broadcast on Soviet television on June 20. Well aware of the considerable pressures which can be brought to bear on a man held for five months in total isolation in a KGB prison, not excluding the application of mood-changing drugs, we believe that this "recantation" cannot be accepted as a genuine statement of Father Dudko's beliefs. The petition to the Soviet Ambassador does not request his release, because he has already been released, but we understand that he may still have to stand trial on unspecified charges.

We urge the Soviet government formally to drop all charges against Father Dudko and allow him to continue unhindered his lawful Christian ministry as an officially registered priest in a registered church.

Yours faithfully,  
JOHN DUNELM,  
TORDON CARDINAL GRAY,  
FREDERICK GLASGOW and GALLOWAY,  
MICHAEL GREEN,  
MACLEOD OF FUINRY,  
W. C. MARON,  
JAMES MCGUINNESS,  
GEORGE MORAY,  
LESSLIE NEWBIGIN,  
ARCHIMANDRITE ALEXIS,  
D. S. RUSSELL,  
SOPHER,  
MERVYN SOUTHWARK,  
JOHN STOTT,  
BERNARD THOROGOOD,  
METHODIOS, ARCHBISHOP OF THYATEIRA and GREAT BRITAIN,  
JOHN WINTON,  
Clergy to defend Russian Christians,  
School House,  
Heathfield Road,  
Keston,  
Kent.  
September 27.

## Aircraft to 'kill' tanks

From Mr C. J. Chambers  
Sir, During times of stringent defence economies it would be interesting to learn whether in fact the Defence Operational Analysis Establishment has actually evaluated the designs suggested.

One should remember the painful lessons experienced by the Israeli Air Force who eventually questioned the operation of 18m aircraft chasing £250,000 targets. Alternatives may not be obvious, but CASA, Pilatus Turbo or even NDN Firecracker may be suitable for low-altitude ground attack, currently being met by expensive "fast jets" and their equally expensive crews. Some countries with even lower defence budgets make greater use

of "natural resources" by utilising certain segments of their general aviation facilities.

Whilst not suggesting "bomb racks" on Cherokees, surely some of this country's better qualified private pilots could tackle a few of the more mundane risks expected of the RAF such as "trawler snooping", etc.

It could even provide a sense of purpose to the RAFVR officers and staff of which must occasionally question their existence when the TA are being integrated so much more closely with the Army.  
Yours faithfully,  
C. J. CHAMBERS,  
67 Wellwright Road,  
Fairwater,  
Cardiff,  
September 20.

## Possible misuse of electoral rolls

From Mr John Giffard Watson  
Sir, It is certainly true that the electoral rolls can be misused, as Mrs Brooke has noted (September 19), and in spite of Mr Fisher's challenge (September 19) it is not difficult to go a considerable way towards identifying elderly women living alone. The rolls do show how many in one house, and it is odds on that women living alone are old; a further check in the telephone directory can identify those without a telephone, or when there is a telephone bogus calls can be made to ascertain the lie of the land.

The recent misuse of electoral rolls stems from several causes. One is the persistent propaganda from political agents urging people to check their telephone directories to find out who is on the roll, which has drawn the attention of far more people than the would-be voters to the existence of these detailed records. But much the most important is the virtual disappearance of local directories, and a most valuable local service ended after generations of useful publication.

It is now necessary to look up the electoral rolls, and also to consult the telephone directories to find similar information (not in a form as suitable for most purposes as that in the directories). Sooner or later, it was inevitable that the highly specialized electoral rolls would begin to be misused for purposes which had nothing to do with their sole function of ensuring that all eligible citizens had a vote.

There is no doubt that access to the register of electors should be less easy than it is. For example, it ought to be possible to ensure that the electoral rolls are accessible only to his own entries. The general issue of the rolls should be restricted to bona-fide candidates for election. And would some enterprising publisher see about the reconstruction of local directories, which would give all the information the ordinary citizen and businessman would need?

In the meantime, it would be a wise precaution for public libraries not to display the electoral rolls for all and sundry, as is the case in some libraries.

Yours, etc.  
JOHN GIFFARD WATSON,  
Librarian,  
University of Oxford,  
Institute of Economics and Statistics,  
St Cross Building,  
Manor Road,  
Oxford,  
September 23.

## Surviving ice houses

From Mr Michael Thomas  
Sir, Count Nikolai Tolstoy is of course quite right when he suggests that there must be many surviving ice houses in the country (September 26). They probably number not scores, but hundreds, and are, as he also suggests, unobtrusively tucked away, not on the lake or pond but in the source of ice needed to fill them, and in an area where shade and good drainage was available.

A fine example of an eighteenth-century icehouse is at present being excavated at the site of Tong Castle in Shropshire. This interesting excavated site is being undertaken by the Tong Archaeological Group, and once the whole of the exterior is exposed, the 21-foot-deep, egg-shaped refrigerators will be dismantled and, if funds become available, be re-erected in a less secretive position at the Avoncroft Museum of Buildings, near Bromsgrove, in Worcestershire.

Incidentally, should Count Nikolai Tolstoy need to retreat into his ice house to avoid the holocaust he would be well advised to "wrap up well": the temperature in the Tong ice house was, though empty of ice, 40 °F throughout the drought of 1976.

Yours faithfully,  
MICHAEL THOMAS, Director,  
Avoncroft Museum of Buildings,  
Stoke Prior,  
Bromsgrove,  
Worcestershire.

## Drake's Golden Hind

From Mr Oliver Thompson  
Sir, Dr A. Rowse's splendid account (September 26) of Drake's voyage provokes the question, so far unanswered, as to where the Golden Hind was built.

There are some grounds for claiming that the Golden Hind was an Alderburgh ship, built at Thorpe Haven, at the mouth of the river Hundred a mile to the north of the town.

This shipyard had the reputation for building sturdy ships. There was more than one Pelican (the original name of the Golden Hind) of Alderburgh, and the Marygold (or Marigold) which sailed with Drake and which was lost at the Horn, was definitely an Alderburgh ship.

When the Golden Hind was laid up at Deptford for sightseers—the most famous ship in the world—one laid claim to the distinction of having built her. This may have been because the Thorpe Haven shipyard had been engulfed by the encroaching sea some years before.

OLIVER THOMPSON,  
32 Park Road,  
Alderburgh,  
Suffolk.

## Tale of a shirt

From Mr Peter Walmsley  
Sir, Now that the tale of the shirt tail has got to the sleeve, whatever happened to the cuff?

Sincerely,  
PETER WALMSLEY,  
10 Broom Acres,  
Fleet,  
Hampshire.

## at to refugee schools

Mr John Stebbing  
You very kindly published a letter of mine on May 26 about the closure of all of the UNRWA/Unesco schools for Palestinian refugee children in Jordan. At that time we were simply not enough funds to the schools going beyond 1970. Since then, a temporary improvement was achieved, but by the Commissioner of the United Nations and World Agency personally stating whose contributions are to come in.

position now is that the UN is planning for the total of its educational programme in Syria and Jordan as from 1981. If sufficient international contributions are not coming, overall, the 1980 of \$211m is now \$37.8m in deficit and the prospective deficit \$1.570.4m, in a budget of \$1.570.4m.

and the EEC together to guarantee this situation for five years so that UNRWA should not be constantly planning, partly or wholly, for its own demise. Freed of these frustrations the agency could concentrate on the steady development of its excellent and highly dedicated services in medical, relief and financial services, all predominantly manned by Palestinians, could be evolved to form the nucleus of a future Palestinian administration, which perhaps might achieve an acceptable form of associated statehood with the Hashemite Kingdom of Jordan.

It is fashionable to criticize UNRWA for its work at close quarters, which doubt that it has a vital further role to play, if an enduring solution is to be found to the Arab-Israeli conflict.  
Yours faithfully,  
JOHN STEBBING,  
Fair Beeches,  
Basingdon,  
Oxfordshire.





# COURT CIRCULAR

**SALMORAL CASTLE**  
September 29: The Lady Susan Hussey has succeeded Mrs John Dugdale as Lady in Waiting to the Queen.

**KENSINGTON PALACE**  
September 29: The Princess Margaret, Countess of Snowdon was present this evening at a Gala Performance by Northern Ballet Theatre at Sadler's Wells Theatre. The Hon. Davina Woodhouse was in attendance.

**KENSINGTON PALACE**  
September 29: The Duke of Gloucester visited the Suffolk Voice Exhibition at the Suffolk Voice Exhibition Centre at Sella Ness, Shetland Islands this afternoon, and was entertained to dinner by the Chairman of the Suffolk Voice Exhibition, Mr R. E. Bailey, at Lerwick Hotel, Lerwick.

His Royal Highness travelled in an aircraft of the Queen's Flight.

Colonel and Alderman Ronald Gardner-Thorpe being escorted by Sheriffs and Aldermen before his election as Lord Mayor of London. He will be admitted to office on November 7.



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## Forthcoming marriages

**Mr D. I. Anderson and Miss D. J. Wangworth-Lane.**  
The engagement is announced between Mr D. I. Anderson, of London, NW4, and Miss D. J. Wangworth-Lane, of London, NW4, daughter of Mr and Mrs P. Wangworth-Lane, of London, NW4, and Mrs M. Lane, of London, NW4.

**Mr M. L. Raden and Miss F. H. M. Cornac.**  
The engagement is announced between Mr M. L. Raden, of London, NW4, and Miss F. H. M. Cornac, of London, NW4, daughter of Mr and Mrs P. Cornac, of London, NW4.

**Mr A. C. Carter-Lewis and Miss M. M. Chamberlain.**  
The engagement is announced between Mr A. C. Carter-Lewis, of London, NW4, and Miss M. M. Chamberlain, of London, NW4, daughter of Mr and Mrs P. Chamberlain, of London, NW4.

**Mr C. E. B. Salvesen and Miss H. D. Smaile.**  
The engagement is announced between Mr C. E. B. Salvesen, of London, NW4, and Miss H. D. Smaile, of London, NW4, daughter of Mr and Mrs P. Smaile, of London, NW4.

## Part dinner service of 1810 is sold for £21,600

By Huon Malleson  
Society's held their first sale of furniture and decorative works of art at their new premises in York Avenue, New York, on Saturday. It consisted of items from the estates of the late George W. Riter and James A. Burden and produced a total of £42,220, of which a comparatively small amount was bought in.

An 80-piece Chinese export 'Orange' porcelain dinner service, part dinner service dating from about 1810 made £22,000, or £21,600. The most expensive piece of furniture, a certain of just £178,000, was a Louis XV. ornate-mounted bouillabaisse table.

On Saturday and Sunday in Florence, Italy, the first two sessions of a contents sale of the Villa della Rose, the home of Ernest and Jean Bolsevan, making a total of £462,520, under 972m lire or £462,520.

## Colossal statue found

From Mario Modiano  
Athens  
German archaeologists exploring the ancient sanctuary of Hera on the Aegean island of Samos, have announced the discovery of a colossal, but headless and armless statue of an archaic kouros (young man). They described it as an artistic masterpiece of about 570-560 BC, and the largest kouros ever unearthed in Greece in such fairly good condition.

When complete the statue would have measured about 4.80 to five metres high, about three times life-size. In fact, the left thigh had been found in the same site six years ago and fixed the torso.

Dr Helmut Kyrieles, director of the German Archaeological Institute, who is conducting the Samos excavations, said that the statue was found in a shallow trench, a votive inscription identifying the donor as Isches, an unusual name.

The new statue, which the German Archaeological Institute considers a fine artistic work, ranges among the masterpieces of archaic sculpture, is to be exhibited in the new wing of the Samos Museum, which is being built with a donation from the Volkswagen Foundation.

## Shopping mall sculptures commissioned

Two Scottish artists have each received a £10,000 commission for a bronze sculpture, seven or eight feet high, to be displayed in the main shopping mall of the latest phase of Cambernald town centre, due to open at the end of the year.

In an open competition sponsored by Cambernald Development Corporation and the Scottish Arts Council Bill Scott was chosen to produce a sculpture of a female shopper, and Michael Snowden's work will be entitled Mother and Child.

A similar competition is in progress to select artists to produce three large murals for the shopping centre.

## Church news

The Rev D. J. Adlington, curate of St Andrew's, Bath, died on September 28, aged 67. He was educated at King's College, London, and was a member of the House of Commons. He was married and had two children.

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## OBITUARY

### MR JOSEPH COWEN

Important contribution to the 1948 Companies Act

Mr Joseph Cowen, CBE, died on September 22 at the age of 83. He was born in London in 1897, the eldest son of a family of immigrants who had fled from the Russian Revolution. He was educated at a local school, where he was a member of the first team to win the school cup. He was a member of the first team to win the school cup.

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## Chess lead shared by grandmaster

Jan Timman, the Dutch grandmaster, playing black, beat Labovitz Karavak, of the United States, in the lead with a victory of 1-0 in the first round of an international chess tournament at Tilburg, Netherlands.

Timman and Portisch, who drew in the first round, were the only players to win in the first round. Timman and Portisch were the only players to win in the first round.

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## 25 years ago

Disorders in Cyprus  
Yesterday's demonstration in Nicosia, the capital of Cyprus, was the first of a series of protests against the British administration. The demonstration was the first of a series of protests against the British administration.

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## Reception

**Mr Malcolm Rifkind, Minister for Home Affairs and the Environment**, will be in Scotland on the occasion of the meeting in Edinburgh of the International Conference on Oil and the Environment.

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## Latest wills

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## Latest appointments

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## Today's engagements

**Princess Margaret**, at present, attends council meeting of the Girl Guides Association, Buckingham Palace Road, 11, one of the many engagements of the Princess.

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## University news

**Aston**  
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## Science report

### Astronomy: New light on Galileo

By the Staff of Nature  
It appears that Galileo was the first astronomer to observe the planet Neptune, specifically on the night of December 28, 1612, and January 28, 1613. The observation was made in the city of Padua, Italy.

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## Woman artists' exhibition

Three different exhibitions of work by women artists will be displayed at the Tate Gallery, London, from September 30 to October 12. The exhibitions are by women artists.

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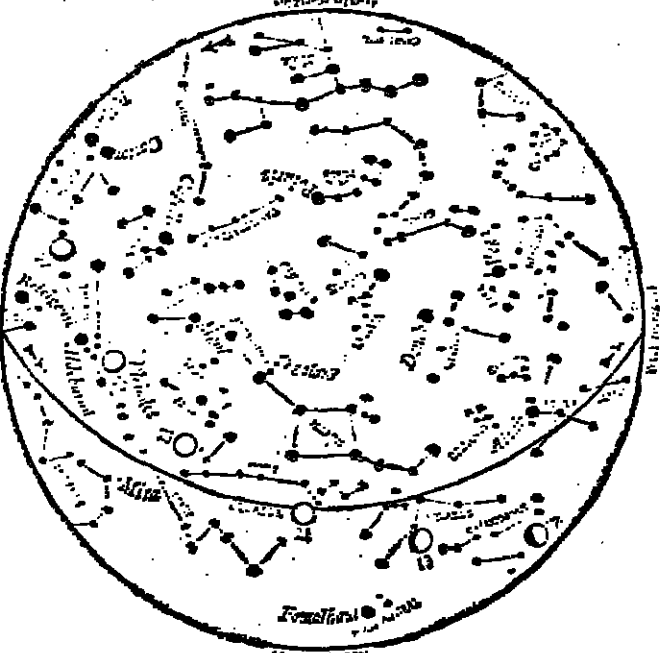
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## The night sky in October

By Our Astronomy Correspondent  
Mercury, as an evening star, will be at its greatest elongation of 23° on the 11th but with low altitude, and will be difficult to observe.

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# THE TIMES

## BUSINESS NEWS



**Stock Markets**

FT Index 475.6, down 5.4  
FT CHITS 69.74, down 0.28

**Sterling**

\$2.3905, down 15 points  
Index 76.1, unchanged

**Dollar**

Index 83.9, up 0.1  
DM 1.8135, up 95 pts

**Gold**

\$681.50, down \$17.00

**Money**

3 month sterling 15 1/16  
3 month Euro \$ 14 1/4-14 1/2  
6 month Euro \$ 13 1/4-14 1/2

### IN BRIEF

#### Toshiba to buy Rank share in TV operation

Toshiba Corporation of Japan is to set up a wholly-owned company in Britain to manufacture colour television sets. The new company will take over Rank's television business from Rank-Toshiba Ltd, the joint venture with the Rank unit, which Rank had pulled out of last year. Rank-Toshiba, set up in 1974, owned 30 per cent and Rank 70 per cent. It is now being liquidated, and the Japanese company said it would be economical, but new company would have efficient production facilities.

**ist for BP**

British Petroleum is to lead a consortium to design the offshore platform for the 11,000-ton gas processing pipeline, network owned by the Government. It is the first of a series of similar projects. As a result, it is likely to be the lead company in the consortium planned to build the system.

**liquidations soar**

A number of companies in the north of England and Wales have gone into liquidation in the last 10 weeks. About 130 companies are thought to be in liquidation, the highest since 1974, when Dun and Bradstreet reported 120 liquidations in the first 39 weeks of 1980.

**er Syrian oil**

It is to raise the price of oil from \$29.15 a barrel to \$30.00 a barrel, bringing the price in line with Iraq and Saudi Arabia.

**ers compensation**

Workers are accepting \$14.45m compensation for its unquoted holding interest national under the 1977 Aircraft Shipbuilding Act.

**rig strike ends**

900 workers at Ayrshire rig Constructors' union, where a 500m oil rig has been struck down for weeks, voted by a narrow margin to return to work.

**ery reopens**

A local business in on-Trent, Staffordshire, raised the money and re-opened the old Crown Hotel, which had been closed for years. They are now for a £750,000 turnover in its first year.

**res investigation**

Spares and their supply are being investigated by the Ordnance Corps, director of Fair Trading, to the policies and Mergers Commission for investigation. Mr. Borrie moves in, page 17.

**rel switch**

A Israeli bank closed for days today while it absorbed the switch to the new currency, the sheqel, from the Israeli old times.

**rate movement**

\$ against the SDR was 3.5, against the £ was 0.549386.

## Wall Street slides 18 points on fears of jump in interest rates

From Frank Vogl, Washington, Sept 29

Shares on the New York Stock Exchange fell sharply today as fears spread of higher interest rates. The Dow Jones industrial average was down by 18.17 points to close at 475.6.

According to Wall Street analysts, commercial bank prime lending rates, which have been increasing six times in the past six weeks, may rise to 13 1/4 per cent. The rapidly rising trend of short-term rates is producing serious difficulties in the money market, and the Federal Reserve Board is expected to raise its discount rate to 11 per cent. This rate is usually held below prime rate.

The pressure on the prime rate was illustrated by sharp increases in the rate for Federal funds today from Friday's 11 per cent. The Federal Reserve Board added some reserves only after the Fed funds rate reached 13 1/4 per cent.

Most commercial banks increased their prime rate to 13 1/4 per cent, and some to 14 per cent. The Fed's discount rate is 11 per cent, and failed to intervene in the money market to prevent the rate for Federal funds moving to 11 per cent.

In the last statement week the money market rose by 1/8 per cent, the narrow MIB: rose by \$27.00m. The Fed's difficulty is highlighted in the latest weekly report by Salomon Brothers, whose newsletter is influential on Wall Street. The report shows the Fed must restrict weekly MIB growth to an average of less than \$400m for the rest of the year if the long-term target of maximum MIB growth of 61 per cent is to be reached. The Fed's success with its targets is crucial in the attempts to lower inflation.

**Eurodollar rise:** Eurodollar rates rose sharply in London yesterday with the three-month figure touching 14 1/4 per cent before closing at around 14 1/2 per cent, compared with 13 1/4 per cent on Friday. (John Whitmore writes).

Sterling period rates were also slightly firmer. In the foreign exchange market the dollar advanced against the Deutsche Mark, but sterling traded in a narrow band against most main currencies. Italian discount rate: The lira held up well in foreign exchange markets yesterday, helped by the rise in the Bank of Italy's discount rate to a record 16.5 per cent, after the fall of Signor Francesco Cossiga's government on Saturday. (John Earle writes from Rome).

However, the lira is not yet out of danger. Measures to stabilize the economy, drawn up by the outgoing government, and wide-ranging consultations with economic representatives have been suspended until a new government has been formed.

Signor Filippo Pandolfi, Treasury minister, and Signor Carlo Ciampi, Governor of the Bank of Italy, flew back at short notice from the United States, where they had gone for the International Monetary Fund meetings, to launch the lira defence measures.

Besides the rise in the discount rate, the measures include regulations to reduce the possibilities for speculation against the lira by Italian exporters and importers.

## Carter plan to help steelmakers

From Frank Vogl, Washington, Sept 29

President Carter will announce measures at the White House tomorrow to strengthen the American steel industry. These could be worth more than \$1,000m (£430m) to domestic producers, and are likely to reduce steel imports.

As a result of the President's actions, the US Steel Corporation will probably withdraw its official dumping complaint against main European manufacturers. EEC officials had said that tough United States protectionist policies could spark a transatlantic trade war.

EEC officials are believed to have agreed to suspend their complaint to the White House plan under which United States import trigger prices will be raised, possibly by 12 per cent, in return for withdrawal by US Steel of its dumping complaint.

The trigger price is a floor level for imports and the system was suspended in March, when US Steel filed its dumping complaint.

The President is expected to announce some government aid to the steel industry for research and development and extensions of the deadlines for the steel companies to comply with government mandated environmental regulations. Extending these deadlines will save hundreds of millions of dollars for the companies and some special tax relief is possible.

In August, steel imports accounted for roughly 21 per cent of all shipments in the United States, the highest level since 1974. Imports rose in two years, according to the Iron and Steel Institute. Meanwhile, American steel mills are in a depressed state, with the companies likely to lose money in the current quarter and with more than one-third of available capacity idle.

**PRICE CHANGES**

55

to Geo 5p to 47p  
day Int 15p to 220p  
as Int 3p to 25p  
e Capel 41p to 114p  
Gold Fields 10p to 650p

5

field 25p to 220p  
6p to 445p  
6p to 774p  
all Univ 11p to 114p  
e Wits 17p to 613p

**THE POUND**

Bank buys 2.09  
Bank sells 2.02  
Portugal Esc 30.15  
South Africa Rand 17.75  
a 2.36  
ark Kr 13.27  
id Mkt 8.10  
e Fr 10.35  
any DM 4.48  
e De 106.00  
ang \$ 22.15  
e 41.18  
Lir 2145.00  
Ya 533.00  
stands Gld 4.86

Bank buys 2.02  
Bank sells 2.09  
Portugal Esc 30.15  
South Africa Rand 17.75  
a 2.36  
ark Kr 13.27  
id Mkt 8.10  
e Fr 10.35  
any DM 4.48  
e De 106.00  
ang \$ 22.15  
e 41.18  
Lir 2145.00  
Ya 533.00  
stands Gld 4.86

## Group gives details of currency futures

By Roman Eisenstein, Banking Correspondent

Details of the planned London futures market in sterling and dollar certificates and currencies have been released by a working party.

A working party, formed last March to examine the possibility of setting up an exchange in financial futures, has today announced its findings. The proposed market is similar to the two established in Chicago for some years, and the more recent exchange set up in New York.

The financial futures market developed from commodity markets and is run similarly. Dealers can enter into agreements to buy or sell at a specified future date and price, currency or financial paper such as certificates of deposit.

Such an exchange enables traders and speculators to take a view on the future price of currencies or to take certificates of deposit, of interest rate fluctuations.

Mr John Barkshire, of Mercantile House Holdings, chairman of the working party, said that the "emphasis of the exchange would be towards institutional and professional users and not speculators."

Although the Bank of England has been kept informed on the progress being made and on the ideas advanced, it has so far kept aloof from the investigations.

The working party proposes two initial contracts. One is based on short-term interest rates, dealing in 90-day sterling and Eurodollar certificates of deposit.

The other includes contracts on future currency movements against the dollar.

The currencies would be sterling, the Deutsche Mark, the yen and the Swiss franc.

## IMF: more lean years

Continued from page 1

It is felt that this will work to the supply side policies designed to do such things as increase productivity and boost energy saving are adopted.

If there is an easing of policy, on the other hand, there could be a sharp recovery in 1981-82 quickly followed by a new surge in inflation. The only way to cope with this would be a new clamp down on demand, which would produce an even grimmer outlook for the period to 1986.

The third option examined is to boost demand now with no tightening up when inflation reappears. It is argued that this would lead to accelerating inflation and cause a severe increase in the real price of oil. There would then be a huge crash in 1985-86.

The IMF recommends the tough policy to bring inflation out of the system. The case for this is reinforced by the need to improve the pattern of payments.

ment imbalances. If there were a new burst of inflation, the IMF argues, the increased payments imbalances would impose severe strains on the world's capital market.

In present policies the surplus of the exporting countries is expected to be \$110,000m in 1980 to \$85,000m next year, and the industrial countries' deficit (excluding official transfers) is expected to fall from \$23,500m to \$21,500m. The United Kingdom is expected to move into surplus this year of \$500m, even when its deficit on official transfers is included, and next year to have a \$1,500m surplus.

Later tonight, the procedure committee will meet to hold a post-mortem on the events which led to the expansion of the Palestine Liberation Organisation and all other observers from the formal sessions of the IMF, which start tomorrow. There may be bitter criticism of American handling of the matter.

## Laird in £22m takeover bid for American cutting tools company

By Richard Allen

In its first big takeover move for 10 years, Laird Group is going into the United States with £22m for a New York based cutting tools group.

This comes only seven months after Laird announced the closure of its Patent Shaft steel plate works in West Bromwich with the loss of 1,500 jobs.

New York Twist Drill Corporation, a family concern, which is claimed to have 10 per cent of the American twist drill market, has already agreed the takeover—which will require the consent of Laird shareholders at an extraordinary meeting on October 16.

The deal involves £10m cash and the issue of 12 million new Laird shares, increasing the British engineers' capital by a quarter.

The new shares were conditionally placed with institutional investors yesterday at just over £1 each against a closing price last night of 108p 5p down on the day.

The placing operation took nearly three hours, but S. G. Warburg, Laird's advisers, said yesterday that there were "very few refusals".

The deal marks an important phase in a dramatic reshaping of the Laird Group by Mr John Gardiner, chief executive, which has taken it completely away from its traditional activities of primary metals shipbuilding and aviation.

The twist drills operation will add a fifth leg to the existing four main profit centres: transport systems, motor components, specialized engineering products and services industries.

The group, which is still awaiting compensation from the Government for nationalisation of its Cammell Laird Shipbuilders interests, yesterday revealed interim profits up £400,000 at £5.4m. This figure included £1m of loss elimination as a result of the Patent Shaft closure.

The group forecast a 9 per cent increase in its total dividends to 53p gross.



Mr John Gardiner: dramatic reshaping

## MFC holds little hope for £5m repayment

By Our Industrial Staff

Legal proceedings to recover an estimated £5m of taxpayers' money from the principals of Maritime Fruit Carriers (MFC), the Israeli-American shipping company which collapsed four years ago, are being pursued by the Department of Industry.

But last night, Mr Yacov Meridor, one of the two joint managing directors of the company which at one time accounted for 30 per cent of all orders held out little hope of the Government being able to recover the funds.

From his home in Tel Aviv, he said: "There is no possibility of claiming anything from us. We don't have anything as MFC. Let us assume the Department of Industry wins its case in the Scottish courts—what is going to pay?"

His remarks would do little to encourage the department and the Government which, in the light of the spectacular collapse of MFC, have reason to feel aggrieved.

Apart from the large volume of work which MFC's orders represented, the Government guaranteed the bank loans on the orders and was liable for 20 per cent grants on two super tankers built at Scott Lithgow's yard on the lower Clyde. The £5m claim relates to one of those tanker contracts.

As part of their shipping activities, Mr Meridor and his colleague, Captain Milla Brenner, bought two companies through MFC. These two companies, Carlsdyke Shipping and Adair Shipping, were formed by Scott Lithgow; each held single orders for large oil tankers placed with Scott Lithgow and both qualified for 20 per cent grants.

When it took over the contracts, MFC borrowed from the Royal Bank of Scotland and progress payments on the tanker contract were made by Carlsdyke to Scott Lithgow. A total of £15m was advanced by the time MFC defaulted on progress payments amid a financial crisis which led to the break up and sale of the entire MFC fleet.

Sale of the vessel on departmental instructions involved a £3m loss against the sum repaid by Carlsdyke to the bank, which in turn called on the department to cover the loss under the terms of the Government's original guarantee.

MFC, Carlsdyke's parent company, had guaranteed its subsidiary's obligations to repay the original bank loan. The department has now paid over the £3m under the terms of the government guarantee.

At the beginning of last year the department began proceedings through the Scottish courts against MFC for recovery of the £3m. Together with a variety of other computations on interest on outstanding claims, the action now involves a sum of £5m.

Since its collapse, MFC has been involved in a range of legal actions, notably in the United States, but through London solicitors its principals are vigorously contesting the claim. The company was incorporated in Israel with "perpetual existence" in 1962.

MFC remains in existence but has no assets and operates no ships. Mr Meridor said last night: "We are not responsible for money they (the industry department) advanced to the shipyard. Why should we be? This is money the shipyard got from the Government as an advance. Then the contract was repudiated."

He said that, because of the legal problems surrounding the MFC operation, neither he nor Captain Brenner planned to return to shipping in immediate future.

"When it is clear of everything we shall be in a position to come back strongly—but it might take years. We will have to wait until international conditions improve."

"We have it mind to return to shipping, it is close to our hearts", Mr Meridor said.

## Kerkorian move to take control of Columbia

From Ivor Davis, Los Angeles, Sept 29

Mr Kirk Kerkorian, the Las Vegas financier, today filed papers with the Securities and Exchange Commission in Washington to take control of Columbia Pictures, either directly or through a merger with Metro Goldwyn Mayer Film Corporation.

Mr Kerkorian, who owns more than 24 per cent of Columbia common stock, and 47 per cent of MGM Films, had agreed in December, 1978, not to try to take control of the film studio for three years. The agreement still has 15 months to run.

But today, Mr Kerkorian said he "plans to discuss with Columbia the possibility of MGM Films acquiring control of Columbia through an exchange offer for Columbia Securities, or a merger with Columbia."

Mr Kerkorian said he had decided that if this proposal failed he planned to seek control of Columbia either personally or through companies he controlled, probably a wholly owned holding company, or MGM Films. He said such action would be taken when he was able to do so.

His announcement indicates that there will probably be a battle for control of Columbia. Mr Leo Jaffe, Columbia Pictures chairman, said "This is the first I have heard of it."

Mr Francis T. Vincent, Jr, Columbia's president, said that he had received on Sunday a telegram from Mr Kerkorian. Mr Vincent said: "I didn't know with whom the merger was to be."

He said that he thought Mr Kerkorian was "making his flurry of activity" because of an announced offer for 50 million debentures on Sunday. Columbia planned this week.

"If that is blocked and we cannot sell those debentures this week it will hurt the company. Interest rates are going up and I will have to go elsewhere to borrow money for the company."

"That will hurt us. Mr Kerkorian does not want to see the debenture offer go off because that would put more shares on the market."

But Mr Kerkorian said in his submission to the Securities and Exchange Commission that he planned to discuss the purchase of the common stock which is able to be issued on conversion of such debentures on terms "far more attractive to Columbia than those which would be involved in the proposed offering."

Columbia is planning a public offering of debentures which would be convertible into common stock.

When Mr Kerkorian acquired his Columbia holdings in late 1978 the Justice Department tried to force him to sell on anti-trust grounds. But Mr Kerkorian won the ensuing court case and has held on to his holdings.

When he acquired his Columbia stock he also agreed with the film studio's management not to increase his percentage holdings and not to seek a takeover for at least three years.

## Canada Dry links with Rawlings

By Derek Harris, Commercial Editor

Bass breweries yesterday merged its Canada Dry (UK) soft drinks interests with Whitbread's R. White and Rawlings operation. Bass will hold 65 per cent of the new company, Britannia Soft Drinks.

Trading as Canada Dry Rawlings, the company will be run separately from the parent companies. Mr Peter Hewitt, managing director of Canada Dry (UK), will be the managing director of the new company.

Few redundancies are expected because the operations of the two groups in soft drinks are largely complementary, especially geographically. But soft drinks sales have been hit by the poor summer and one aim of the merger is to use the present production facilities fully.

With the expanding soft drinks market, worth around £1,000m a year, there are indications that there will be a need soon for additional production facilities within the new company, it was claimed yesterday.

Neither Bass nor Whitbread expect the merger to be referred to the Monopolies and Mergers Commission, but the venture is not expected to bring any further significant cooperation between the two, both among the big six brewery companies in Britain.

The combined interests are expected to have an £80m turnover in the coming year, with 6 per cent of the total soft drinks market and about 15 per cent of the mixers market. Mixers—like tonic and dry ginger—are sold in a variety of alcoholic drinks—have been key strength of Canada Dry although Cadbury Schweppes still dominates the sector despite losing some market share to Canada Dry, Rawlings, Becham's Hums and other smaller players.

In the total soft drinks market which is expanding at around 3 per cent a year, Canada Dry Rawlings will be the third largest suppliers but well behind Cadbury Schweppes and Becham's.

Probably the biggest gain in combining the two operations will be in building up a wide product range to appeal to the supermarket operators.

Bass's Vostock mixer for vodka and its non-alcoholic Barbian lager are both claimed to be selling well. Canada Dry ginger ale, one of the drinks which Bass sells in the United Kingdom in operating the British franchise for Canada Dry products, is claimed to be the world's biggest selling ginger ale.

## Businessmen take a look at the blast-proof home

### A mushrooming trade in shelters

Businessmen will be given a glimpse of Armageddon in Sussex later this week when nuclear shelters capable of protecting up to 100 people from the effects of blast and fallout will be introduced.

Yesterday, builders were completing a mock-up of the smallest domestic shelter in the Hastings offices of Dafal, the company which is the centre for a seminar on nuclear protection on Friday.

Despite the topic, the conference will be lightened by a flash of razzamatazz. The press, heavy queen of Kent will attend and there will be buffet lunch across the road at the Old Golden Cross.

At a subsequent seminar, planned for November, it is hoped to have the Mayor of Hastings and his Town Crier (perhaps as an early warning system), in attendance.

Mr Graham Rattenbury, managing director of Dafal, explained that the first of the shelters would be coming as a secret pilot assembly line within the next few days.

Dafal offers a domestic shelter, the Churchill Mk IV, which led to the expansion of the company. These carry equally patriotic names, Kingdom and Bulldog.

A reliable shelter installed with equipment will cost at least £10,000. Dafal's consulting engineers have worked closely on the designs with leading civil defence experts in Switzerland and the United States, where shelters are already widely provided.

The company believes that the nuclear shelter industry, which has grown rapidly since the Soviet Union invaded Afghanistan, suffers from operators who are unqualified in safety provision.

These delays have meant newspapers have been refusing advertisements for shelters until the Home Office produces guidelines on shelter design. These delays have recently provoked complaints from the National Federation of Building Trades Employers, which maintains that much-needed work is being lost by its members.

Dafal said it will not accept orders to build for the public until a number of the company's test shelters had been installed and given official approval.

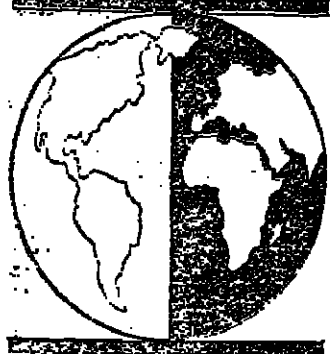
## THE LAIRD GROUP LIMITED

**Interim Results 1980**  
(subject to audit)

	Half Year to 30 June 1980 £'000	Half Year to 30 June 1979 £'000	Year 1979 £'000
Turnover	93,253	101,176	207,046
Profit before Tax	5,428	5,043	10,734
Tax	(2,000)	(1,750)	(3,046)
Profit after Tax	3,428	3,293	7,688
Extraordinary items	—	—	(729)
Profit available for Ordinary Stockholders	3,428	3,293	6,959
Dividend	(340)	(823)	(1,645)
Retained Profit	2,488	2,470	5,314

- Notes**
- An interim dividend of 1.55p net per Ordinary Stock Unit (1979 1.7p net) will be paid on 1 December 1980. It is intended to recommend a total dividend for 1980 of 3.7p net (1979 3.4p net).
  - The tax charge includes £0.6 million of overseas tax (1979 £1.4 million).
  - All the agreed compensation of £3.75 million for the nationalisation of Scottish Aviation in 1977 has now been received. This is not reflected in these interim results. The claim for compensation for the 50% shareholding in Cammell Laird Shipbuilders has been referred to arbitration.
  - The Accounts for 1979 included a provision of £18 million to reflect the Directors' estimates of all losses to be incurred as a result of the closure of The Patent Shaft Steel Works Limited earlier this year. The Patent Shaft Steel Works is not included in the results for the first half of 1980.
  - It has been agreed, subject to the approval of Ordinary Stockholders, to acquire the business of New York Twist Drill Corporation, a U.S. company, at a price of \$52.5 million. Full details will be circulated shortly to all Stockholders.





## Japan eases curbs on banks

The Bank of Japan has told the country's 13 main banks that they can lend 7.6 per cent more in the October-December quarter than in the same period last year, an increase of 1,601,000 yen (£3,096m). The central bank had been limiting commercial banks since 1979 because of signs of "worsening inflation".

Bank of Japan officials said they eased credit specifically because of expected fund requirements for financial settlement in October-December and the brisk demand for equipment investment. Companies which have been dipping into their reserves were setting low on funds and would have to turn elsewhere in the near future.

## NZ oil find

New Zealand's first significant oil discovery has been made by Petrocorp, the government-owned petroleum corporation at the McKee structure in Taranaki. The find is not expected to provide major quantities of oil to substitute for imported oil.

## Volvo bus sale

Singapore's public transport authority has bought 300 Volvo buses financed by the Swedish Export Credit Corporation through a \$5.5m (£2.3m) loan.

## Car exports slip

Japanese car exports last month fell 11.3 per cent to 468,400 from an all-time high in July, but they were 32.4 per cent higher than the previous year.

## \$165m agreements

Seven economic agreements worth a total of \$165.3m have been signed between Egypt and the United States. The money will be used to develop the Egyptian economy.

## Improvement forecast

The economic slowdown in Western industrialized countries may end this winter, HWWA, the German economic research institute said.

## Yugoslav trade

Yugoslavia's trade deficit narrowed to 19,163m dinars (£290m) in August, from 19,973m dinars (£302m) a year earlier.

## Oil imports down

French crude oil imports declined 10.1 per cent to 66.87 million tons during the first seven months of this year, according to the Comité Professionnel du Pétrole, a trade body.

## Middle East conflict adds to fears of another twist in oil price spiral

# IEA may get chance to show its worth

Delegates from 21 nations of the International Energy Agency's standing committee on oil markets began a two-day meeting yesterday to consider what, if anything, needed to be done to prevent the Iran/Iraq conflict from disrupting oil supplies to the West and pushing up prices.

In the short term there is no worry over supply. World oil stocks on land are at record levels, sufficient to last for about 100 days. On sea, tankers have been steaming slowly as an extra form of storage, and more than twice the usual quantity of oil is in transit.

But loss of Iran and Iraq's production for any length of time could result in nervous replenishment of stocks, adding another twist to the price spiral.

Even more worrying would be the loss of those exports to the West which pass through the narrow Straits of Hormuz. One third of the West's imports have to pass through the straits. If this were cut off as an explosion in prices and a shortage of supply could happen quickly.

It was to deal with potential shortages that the IEA was set up under the guidance of Dr Henry Kissinger in the wake of the embargoes after the Arab/Israeli war of 1973.

The idea was that if any country suffered a 7 per cent shortage in supplies, a compulsory sharing system of supplies would be implemented and mandatory restraint would be imposed on member

countries to cut back their consumption accordingly. A 12 per cent shortfall in supplies would result in drawing on stocks and a 10 per cent cut in consumption.

During the 1973-74 embargo oil companies individually operated a sharing scheme to ease the difficulties of those worst affected. The IEA institutionalized the mechanism, which works on computer simulation but which has never been tested in practice.

But during the IEA's first major crisis, caused by the downfall of the Shah of Iran, the IEA proved powerless to prevent the 150 per cent increase in price which the world now pays.

IEA countries agreed last year to cut consumption and set targets for imports. It encouraged prudent stockbuilding but was unable to prevent companies and countries from bidding aggressively for supplies, which continued to push up prices when there was no longer any shortage.

In fact the IEA appeared to try its hardest not to allow the 7 per cent trigger to be pulled. During 1979 some countries, New Zealand in particular, could have pushed for the sharing mechanism to be invoked, but informal smoothing was used instead.

This year attempts have been made to develop a system which would work to avoid aggressive buying in the wake of a crisis.

At its ministerial meeting in May, the

IEA said: "If ministers decide that tight oil market conditions exist, IEA countries will take positive effective short-term action... to restrain demand to prevent a sharp escalation of prices which could otherwise occur."

There is a possibility that a tight market will occur as a result of the Iran/Iraq conflict. Prices have already firmed on spot markets. The conflict will have increased the nervousness over the stability of the Middle East.

Whether there is the political will of IEA members to counter the pressures that may develop is not clear. Events last year showed that when oil companies and countries lost their usual source of supply, little cooperation was evident either in gaining new supplies or keeping prices down.

The question is whether the IEA could, if necessary, develop a coordinated stock policy. They have developed the statistical basis to make this possible.

An important factor working against the implementation of any sharing mechanism, whether or not the 7 per cent trigger is formally pulled, is the move away from the multinational oil companies as the main suppliers to government-owned enterprises.

The multinationals no longer act as the middlemen. National oil companies now do it themselves and their contracts specify where the oil should be delivered.

Nicholas Hirst

## EEC urged to invest in coal

From Peter Norman

Brussels, Sept 29

Sir Derek Ezra, chairman of the National Coal Board, today urged the European Community to provide financial resources to promote the replacement of oil by coal.

Speaking at a symposium on new coal technology here organized by the NCB, Sir Derek gave a warning that the West would fall into a vicious circle in which oil crises would recur every time its economies began to recover from recession, if nothing were done to adjust the pattern of energy supply and consumption.

Decisions of "determination and courage" needed to be taken on energy, Sir Derek said that steps should be taken in three stages to increase the consumption of coal instead of oil. He called for more encouragement to industry to replace oil in bulk steam raising and heating.

Secondly, new technologies that used coal more efficiently should be applied in industry. The third stage was to convert coal into oil and oil products.

Sir Derek admitted that European coal was expensive and faced strong competition from countries such as Australia, South Africa and the United States where it was easier and cheaper to mine.

But those who urged greater dependence on imported coal were making the same mistake as in the late 1950s and 1960s when the West covered its energy needs by use of oil.

"EEC coal may be expensive, but it has an overriding advantage," Sir Derek said. "It is on the spot, under our control."

## Department of Energy approves £650,000 aid for wave energy

Wave-energy devices developed at Bristol and Lancaster Universities are being tested in a new Department of Energy wave tank installed at the Cadnam, Southampton, premises of Wavepower.

Sir Christopher Cockrell, inventor of the hoverscraft, is associated with Wavepower.

Mr John Moore, an under-secretary of state at the Department of Energy, officially opened the Cadnam wave tank last week. He said the Government knew that the problems of exploiting "this vast but capricious energy source" would not be solved overnight.

The wave-energy programme had revealed further engineering difficulties and many technical problems had to be overcome before commercial exploitation of such energy was possible, but progress had been made.

Four contracts totalling more than £650,000 were approved by the Department of Energy last week. Edinburgh University received £232,000 for work on spines and tank operation. The Department of Energy's first wave tank is at Edinburgh and fresh "Salter ducks" are being produced at the university.

See Energy Associates and Lancaster Polytechnic have been given £186,550 for work on spines and mooring systems. Vickers received £125,101 for work on oscillating water columns and Sir Robert McAlpine was given £109,000 for work on the Bristol cylinder device.

Detailed testing in the two wave tanks has followed one-tenth scale model trials at sea. The Cadnam tank can reproduce Atlantic sea conditions at one-hundredth scale.

## Technology News

The Wavepower company, whose early work was aimed at developing Sir Christopher Cockrell's wave-contouring craft idea, has included more general system studies. The company has also been working on engineering development studies on the flexible bag design of Professor Michael French of Lancaster University.

Among Wavepower's inventions arising from Department of Energy funding is a tube pump. This is a spirally wound elastomeric tube which changes volume when stretched, creating a pumping action.

The company says: "There are no moving parts and with the correct choice of materials and geometry the tube pump appears to show considerable advantages over conventional pump designs for wave-energy extraction and other marine applications."

## Post Office spoken data

Two types of "Voicodata" service, telephone exchanges equipped with automatic voice response, are being developed by technologists at Post Office Telecommunications (British Telecom) at Martlesham Heath, Ipswich.

New System X exchanges will give callers spoken guidance of the procedures and progress of some of the new facilities. From this start, the Post Office

envisages a range of new services.

One is the Interactive Service or Iris. In effect this is a refinement of existing recorded information services, such as the speaking clock. But in the new systems, the messages will be possible to dial into a particular part of, for example, a railway timetable.

Initially such messages will be made up of digitally recorded words and phrases. But speech synthesis techniques are being investigated. They would reduce data storage at the cost of reduced quality of speech.

Research includes the development of computer programmes which will synthesize speech directly from text, so that announcements are being investigated. They would reduce data storage at the cost of reduced quality of speech.

The second line of Voicodata development is "Voice: store and forward" and is envisaged for System X exchanges. It would enable a caller to record a message for later delivery by telephone.

This would clearly be helpful when the called number is engaged or there is no reply. At present about 28 per cent of telephone calls suffer this fate.

Other services might include "voicegrams", messages which would be recorded and passed on to the appropriate number at any specified time. In other words, a kind of electronic mail would be developed which would require only the telephone and no special terminals.

Slow-scan techniques are also being investigated at Martlesham to transmit television pictures over an ordinary telephone line.

This would be useful where moving pictures are not required and where a single still picture or a sequence of "frozen" pictures every few seconds or minutes would suffice.

Gresham Lion is making 50 sets of slow-scan television equipment under Post Office licence for trials later this year.

The Post Office said: "If all goes well the trials will enable the Ipswich harbourmaster to watch a real-time video transmission from a small boat metres away from the comfort of his own office; allow a specialist in Truro Hospital to examine X-ray pictures from Penzance; or permit executives of a multinational gathered for an audio conference to see television pictures of diagrams and components between London and Brussels, all with the same ease as making a phone call."

Kenneth Owen

## Copper mill to provide 80 new jobs

By Stephen Goodwin

A continuous cast copper mill with a 100,000-tonne annual production target is to be built at Skelmersdale in Lancashire as a GEC-Pirelli joint venture and will provide about 80 new jobs. The General Electric Company and Pirelli General Cable Works have formed Rodco, a joint company, to build and operate the mill. Skelmersdale Development Corporation is also supporting the venture.

About 80 jobs in the Stockport area have been saved after the acquisition by Olympic Packaging Group of the Bowater Tubes business, which earlier faced closure.

At Burton-on-Trent, Staffordshire, the In Comp brewery has sent redundancy notice to 175 workers because of a "decline in demand".

Another Burton company, ETR (Silvertown), the rubber products manufacturer, is to make 25 people redundant in addition to 30 jobs lost three months ago. At Pontypool, Gwent, 135 jobs will be lost with the closure of a factory making soft toys under the name of Chad Valley.

Nearly 60 workers at the Haughey depot in Desborough, Northamptonshire, are to lose their jobs because the depot is being closed down.

The Aston Martin-led consortium has now officially abandoned any hope of making a successful bid to take over the MG works at Abingdon where most of the 800 employees will lose their jobs.

## LETTERS TO THE EDITOR

## Qualifying Denmark's problems

From Mr Lasse Budtz,

Member Danish Parliament

Sir, The articles on Denmark in your issue of September 18, which I read with great interest, in my opinion call for a few qualifying comments.

It is true that the Danish economy has serious problems. Nevertheless, I cannot help feeling that you deepen the gloom rather more than is warranted. What you describe as "accelerating Danish inflation" is, in fact, decelerating—August 1979 to August 1980 it stood at 11.3 per cent per annum, but based on the first six months of this year it could be as low as 8.9 per cent in 1980. It is also a little disconcerting to find in one article as plunging into the abyss, while in another we are pictured as drawing back from the brink, however slowly. The latter version is that which reflects the latest OECD report.

Several times you refer to the fragmentation of the Danish political scene. But you do not, in my opinion, give sufficient weight to the parliamentary consequences of this fact. As is often the case in Denmark, the present government is a minority one. Consequently, it is not enough for the social democratic government to have a consistent economic policy. It must also find a majority for it. And in that process, the original consistency sometimes has to be sacrificed. The intrinsic difficulty of the government's task is great enough—witness your own insistence on the signs of recession in Denmark parallel to inflation and a large budgetary deficit. Far-reaching measures have been adopted in order to restore balance in the Danish economy. The main purpose of these measures is to obtain a more favourable trend for the balance of payments. Had there

been only a moderate increase in oil prices in 1979, this goal would have been achieved. Instead, oil prices doubled, laying a much greater burden on countries like Denmark, which has to import the bulk of its energy supplies (and other raw materials) from abroad.

A point which you do not mention at all is Denmark's development assistance. Together with only three other industrialized countries we have already attained the goal of 0.7 per cent of GNP. It is to be hoped that other countries will follow suit: development assistance, in our view, is not only morally right and economically profitable, it is also one way of easing sources of conflict throughout the world.

Denmark's defence is, of course, a central concern, and perhaps rather more of an issue in Denmark than your correspondent seems to allow.

In this connection it is gratifying to find you unequivocally denouncing the term "Denmarkization" as "pernicious" and "abominable", and in any case as far removed from any sense of the political reality as the term with which Danes have no sympathy whatsoever. There is no lack of commitment in Denmark to NATO. But, true to NATO's double vocabulary of defence and détente, we define our commitment as one which concerns not only defence in the narrower sense, but security in general. It is necessary to have sufficient military strength to try to halt the arms race, and to explore, even against adverse currents, avenues for realistic moves to retain and maintain the process of détente. Without efforts in these directions, the emphasis on this or that percentage of real increase in the defence budget loses its wider meaning.

You seem to associate yourself with the criticism that the Danish defence effort is the feeblest in the alliance. It is so, however, you do not sufficiently take into account those economic realities which you describe so vividly. You point out, with justification, that the economic "slimming" course which Denmark is undergoing is a tough one, and you indicate that it will entail a per capita drop of 3 per cent in real income over the next year. In fact, the correct figure is rather 5 per cent. Against this background, the government's proposal to maintain the funds allocated to defence at their present level, corrected for inflation and price increases, is in itself no mean accomplishment at a time when the knife will cut deep into the provision of services and benefits which have made Denmark a modern welfare state. As a matter of fact, the proposed Danish defence budget for 1981 will stand at no less than 8.1 billion kroner as against 7.3 billion kroner in 1980.

The Danish government cannot afford to make any other than a credible defence. But it must also try to get to grips with our economic difficulties. "A country's defence can be strong only if the country itself is strong and its essential weakness of the United Kingdom is an economic one," as Mr Pom recently wrote to Lord Homecroft. This analysis also applies to the Danish case.

Yours faithfully, LASSE BUDTZ, Member of Parliament, Chairman of the Social Democratic Party's Standing Committee on Foreign and Defence Affairs, Christiansborg, Copenhagen, Denmark, September 25.

## Forecourt pricing of petrol

From Mr John Kriger

Sir, There is a growing practice by garages to price their petrol in decimals of a penny, ie, 12.9 pence per gallon.

I cannot understand why this is done, to pass unchanged as it is obviously in order to physically pay any price per gallon lower than 0.5 pence. Garage owners are obviously trying to imply their prices are cheaper than competitors, but surely they do not think the public are that glib.

Apart from the ethics of such a pricing policy, I would like to question whether it is legal to offer to sell any product on a retail basis at a unit price which is incapable of being paid for exactly using existing legal currency.

I would be interested in the views of other readers, and trust they will agree that for whatever reason garages should discontinue this practice forthwith.

Yours faithfully, JOHN KRIGER, Chapman Crescent, Kenton, Middlesex, September 25.

## The see-saw economy

From Mr H. C. Eastbrook

Sir, Perhaps some of our traditional nursery songs ought to be updated—for instance:

See Saw, Marjorie Daw,  
Jack earned as much as his master,  
But his Union said "Strike for another big rise—  
Though we won't let you work any faster!"

The master found he hadn't the cash  
To pay Jack or even to fire him,  
For Jack was due more in redundancy pay  
Than it cost to continue to hire him.

The firm went bust. Jack's on the dole.  
His master's back pushing a barrow.  
There's no dole for him, so he dolefully sings  
As he trudges through streets broad and narrow:

I'll never employ any labour again!  
It was silly as well as unfair—  
To strike for a much bigger slice of my cake  
When I'd only a small one to share!

Yours faithfully, H. C. EASTBROOK, 67 The Warren, Worcester Park, Surrey, KT7 2DE, September 26.

## Promoting metrication

From Mr M. H. J. Hill

Sir, It is not only pipe-smokers (September 23) who are having difficulty in adjusting to metric units. Now that the Metrication Board has been abolished, is there not a need for a voluntary Metric Society to promote the idea of metrication and help us all to adjust to it?

M. H. J. HILL, Taylor's Wynd, Forfar, Angus DD5 2TA.

## Socially aware

From Mr Ernest Pendrous

Sir, I saw a lorry today with the trader's name H. MARRIAGE & SONS LTD.

How very proper, I thought—and how socially aware.

ERNEST PENDROUS, Twyford Court, Twyford Avenue, London W3 9GB, September 22.

## Disabled workers and the quota system

From Mr John Wilson

Sir, There is evidence that the quota system is helping to protect the jobs of disabled workers at a time of rising unemployment. To abolish it, as suggested by Mr Ashwin (September 22) and Mr Musgrave (September 24), would be to remove an essential safeguard.

In the six months to April 1980, unemployment among the whole workforce rose by 13.39 per cent. Among registered disabled people, the rise was the same period by only 3.67 per cent. This difference can safely be attributed to the operation of the quota scheme. Among unregistered disabled people, to whom the scheme does not apply, unemployment rose by 12.51 per cent—nearly as much as among the workforce as a whole.

This is not to deny the deficiencies in the quota scheme as it operates at present, nor the need to supplement it with positive incentives to employ disabled people. The levy system advocated by Mr Maughan (September 8) would provide a partial remedy for the former and a source of finance for the latter.

Yours faithfully, JOHN WILSON, Research Worker, The Disability Alliance, 1 Cambridge Terrace, London NW1 4JL, September 25.

## The answer to a Post Office parcel machine

From Mrs N. J. Barton

Sir, Somewhere in North-west England is a Post Office mechanical parcel sorter, that destroys parcels, no matter how carefully packed. It is costly and frustrating to despatch parcels, magazines and the like when it does not work. I have had to be re-packed in the Post Office, several magazines are missing, several have been damaged, and all of them are late.

Yours faithfully, NANCY BARTON, 21 Melcombe Court, Dorset Square, London, NW1 6EP, September 25.

Sadly, after a gadget had been bought that would put metal edges on the parcels, I was told of the perfect solution to the problem—string! Any parcel tied with string has to be sorted by hand because the machine cannot cope with string.

Yours faithfully, NANCY BARTON, 21 Melcombe Court, Dorset Square, London, NW1 6EP, September 25.

## The process of inflation

From Mr J. N. Carpenter

Sir, Can anyone explain to me why so many leaders of different sections of our society, clever, intelligent and successful, having a major influence on informed opinion, consider that the cost of money should be exempt from the process of inflation?

Yours faithfully, NIGEL CARPENTER, 9 Northford Road, Dartmouth, Devon, September 24.

## First National Securities

# Base rate

## First National Securities Limited announces that

## with effect from 1st October 1980 its base rate for lending is reduced by 1% to 18%.

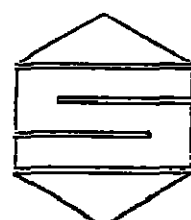
First National Securities Ltd., Charlton House, Kenton Road, Harrow, Middlesex HA3 9HD; Telephone: 01-304 3275

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## The British Petroleum Company Limited

is acquiring for approximately £400m.  
the entire share capital  
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## Selection Trust Limited

We acted for  
The British Petroleum Company Limited

## Lazard Brothers & Co., Limited

London  
September 1980



BY THE FINANCIAL EDITOR

## Laird broadens its base

One of the few groups in the widening engineering sector able to boast strong order books, the reshaped Laird Group has already some something of a market favourite. As so the shares rode out yesterday's louseness of a £22m United States cover, disappointing interim profits and lacing expanding the group's capital for a rter with equanimity, slipping 5p to 108p, it compares with a placing price of 100p.

Laird has of course been signalling a big vision ever since it unbundled itself from the Patent Shaft steel plate plant earlier this year. With developments in the main transport division becoming increasingly long-term, the group feels need to broaden its base and as a money-ner NYDC seems to fit the bill.

is paying a fancy price—around 16 times earnings and three times asset value—the United States group's track record is solid and Laird at least is confident of potential for improving on latest pretax profits of \$7.37m as the United States group picks up.

deal has the benefit of producing immediate dilution while the cash element comes from balances. It has grown to around £15m since the end, while there could be another £4m from nationalization compensation.

Samuel Laird Shipbuilders. Figures from the group, however, are poorly with market estimates. It is up only £400,000 to £5.4m despite loss elimination from the Patent.

Difficulty in obtaining components for transport systems while motor companies, particularly on the continent have under heavy pressure, although the important specialized engineering and divisions have performed strongly.

en that this is Laird's first major acquisition in a decade, the market is any of chasing the shares much higher short-term. And a yield of under cent on a forecast 9 per cent increase payment already discounts a fair bit long-term potential particular in the g stock field.

cial futures

### ring pe

ket in financial futures is now a possibility. The working party formed ear has now brought out a formal sion paper on Financial Futures in n, which outlines both the scope and anework of the market.

paper has yet to be assessed by all ted parties and it has yet to get the ag of the authorities, with the Bank land, though informed, keeping aloof the proceedings. If all goes according hopes of the sponsors the market start operating towards the end of ear.

proposed market, similar to those y existing in the United States, will be on two types of contract. One on- rates futures based on sterling and olar certificates of deposit; the other rencies quoted initially against the . The third contract envisaged is one on long-term interest rates based on . But this one will take a long time to

initial suggestion that Treasury Bills be used has now been wisely dropped. market is not free enough and CD's t more the realities of the market. Treasury Bills are also part of the nment's short-term monetary control um and their use would almost car have been frowned upon.

gills too are part of the authorities' ry of monetary control and their use futures market is likely to get some uestions from the Bank of d. In addition this raises all sorts hical complexities as to registration rship and partly paid stock.

at remains is, however, important b. The market in currency futures a form of fixed term contracts will ace a new element in forward trad- Similar to commodity trading—with argins and margin topping up require- it will probably bring with it er prices than the inter-bank market r some cases more flexibility for ding contracts quickly. The market is so large that even if a small ion passed through the futures mar- would probably be sufficient to make

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Bar more questions remain. Who will the market makers be? Mr John Barcliffe, chairman of the working party, says it will be the same institutions as those of the cash market: banks, Eurobond traders and the like. Still this remains to be clarified. Another poser is the form of indemnity that will be offered to operators.

Predictably enough, dollar interest rates rose sharply against the pound and a further round of prime rate increases now look inevitable. None of this can be of enormous comfort to the United Kingdom authorities, for whom it would seem to add just one more potential complication to their present list.

On the domestic front, they are going to have to make up their minds this week what to do about the gilt-edged repurchase agreement with the commercial banks, due to be unwound next Monday. They are also now in a position of having no future funding of any consequence firmly fixed up. With some better money supply figures and the MLK cards still to play that may not worry them over much. But there is little room for anything to go wrong at the moment.

Cope Allman Leaning on leisure

Followers of Cope Allman have consistently argued for a re-rating of the shares because of its growing involvement in leisure—fruit machines and now video games.

These contributed over two-fifths of group operating profits in the year to June 28 as leisure division earnings rose by nearly a third to £6.5m. Further growth looks assured in 1980-81. Cope is cashing in, on the growing addiction amongst the public for games such as Galaxians and Astrofighter—its own variations on Space Invader—following its timely move into video games last February, while fruit machine earnings could benefit next year if the Government raises the maximum stakes and cash prizes allowed.

For all this, Cope Allman remains a shareless creature, vulnerable to cyclical downturns in its other activities, which is why pretax profits slipped from £11.8m to £11.1m in 1979-80 and are likely to fall again in the current year. Higher leisure profits could not offset both a £1.8m rise in interest charges to £4.6m as well as lower operating profits from the other major activities, packaging and engineering.

Profits from packaging, which includes the quoted Capsels, and engineering—both volume sensitive—are certain to be down again this year with the first half likely to be particularly poor. Despite comfortable current cost cover, the decision to maintain the final dividend reflect the pressure to conserve cash at a time when capital spending acquisitions and increased working capital pushed net debt up £8.7m from £40 to £56 per cent of shareholders' funds.

At 70p Cope commands a far from glamorous rating—a yield of 9.4 per cent and fully taxed historic p/e of 5—and for the moment the cynical engineering and packaging activities are likely to overshadow the case for shares based on their leisure promise.

Pretax profits from Currys tend to rise steadily rather than bob up and down, but they did well to retreat only £84,000 to £4.49m in the half year to July 23. This steadiness owed something to massive advertising, and the group's valuable High Street sites but it must have owed even more to staff cuts of a tenth, and a more lucrative mixture of goods sold with a move from small to higher margin products.

Cash takings in the half year rose by 10 per cent after VAT, which means that Currys maintained volume and improved on its market share.

Profits were also cushioned by a rise of £214,000 in net interest income and by a fall of £236,000 to £514,000 in the provision for unguaranteed profit on credit trading.

The shares rose 10p to 223p, a new 1980 peak, where the yield is a modest 4.1 per cent, and they may pause for breath despite solid merits. The group keeps denying bid approaches, from Comet, Radiovision, Barmah Oil or elsewhere, but it does have strong cash resources and strong property assets of 463p a share. But new ventures into television rental and video recording could prove profits in the short run, and as for other retailers Christmas business is the big unknown.

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Today sees the second of two one-day seminars on control of the money supply. At the Bank of England academic economists and experts from central banks will exchange their views and experiences. These the authorities will add to the views expressed yesterday by market practitioners at Church House, Westminster. The Bank of England, at bay in the closing circle of monetarist stag hounds led by the Prime Minister, will clearly have been hoping that the two days spent exchanging ideas will have indicated a safe way out once again on to open ground.

At the present low point of its recent relationship with senior ministers, the Bank is not inclined to make debating points in public. But for the sake of the record it cannot resist pointing out the private that the main responsibility for the delay in producing a new regime of monetary controls for the banking system lies with Treasury ministers, rather than with the Bank.

Draft Green Papers and policy papers, written by the Bank, have been around for the better part of a year. The problem has been that the machine could not get ministers to focus on the uncomfortable decisions that had to be made in coming down in favour of any particular new regime of controls.

Meanwhile, whatever muddled compromise of a control mechanism for the monetary system eventually emerges, the authorities still have another hard decision to make in this general area.

In just over a month's time they have to announce the new monetary targets on which they will base their money supply and interest rate targets for the next 12 months. As I said in this space earlier this month a new and more credible strategy is required if the whole of public monetary targeting is not to go down the drain with the bath-water.

For published monetary targets now find themselves under attack from both the front and the rear at the same time. Those who are opposed to tight monetary policies argue that it is quite wrong for a government to put itself into a strait jacket designed by bankers and half-faced money men, thus preventing it from following the obviously sensible policies needed to bring the country gradually out of a recession.

From exactly the opposite direction, however, there are those attacking the published monetary targets on the grounds that they put at risk the whole credibility of anti-inflationary monetary policy, because they are such a vulnerable hostage to fortune.

Even an administration as firm and

## Why sterling M3 is not enough

Hugh Stephenson

As clear as daylight in its objectives, Mrs Thatcher's has been unable to stick to target figures that it hoped to persuade the whole world were chiselled in tablets of stone. How can anyone be expected to believe anything, any more?

The problem is insoluble for those who think that the whole performance of the economy is controlled with a lag of between 18 months and two years by the growth rate of the money supply, which is best measured so far as the British economy is concerned by something called sterling M3. For this dwindling school it is difficult to think of any comforting advice.

For those who think that the real world is more complex, however, the following thoughts may be helpful. The original mistake of monetary targeting was the last Labour government's adoption of a fixed target for a calendar year.

By the second half of the year it became obvious that the target was not credible. Rolling targets, updated and reprojected every six months were an attempt to avoid this trap and are obviously sensible. In the course of a year it becomes clear that circumstances have changed and policy ought to be free to readjust accordingly.

But this government has got itself

into a similar trap by putting all its eggs in one monetary basket, namely sterling M3. In as complicated a web of interlocking financial institutions as our banking system, it is most unlikely that over any but the shortest time scale it is sensible to look at only one measure of what is happening for the purposes of setting monetary policy. It is used to be said that it would be a mistake to publish target ranges for more than one monetary variable in the system because then the whole exercise would lack the necessary credibility for those operating in the market. After the events of the past few months, where the authorities were just operating on the basis of a published figure for sterling M3, that argument is somewhat weakened.

The world is a difficult and complex place. It would do no harm to recognize this in publishing a range of targets for a range of different variables. It is just possible that if the different variables are giving the authorities different signals, that is exactly the warning they need that something is changing in the way in which the banking and monetary system is operating.

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But this government has got itself



Dr Osvaldo Franchi: "The integration has been too successful."

## How they came to love pasta in Sauchiehall Street

Ronald Faux

The latest in an occasional series on ethnic minorities at the Italians in Scotland.

In the late nineteenth century while Italians from the south were leaving their economically crippled homeland for America, many inhabitants of Lombardy and the border foothills with the Alps were setting out north.

The end of that particular trail was often Scotland where the industrial revolution centred on the Clyde provided opportunities for people with simple skills and a strong readiness to work.

The Italians who arrived a century ago were a different migrant class from those who arrived in Britain during the middle ages—the elite professions who founded Lombard Street and the various Italian banks in the City.

The late Victorian arrivals were peasant-stock, desperately prepared to work at jobs no one else was prepared to do. They opened cafes and small businesses that stayed open when others were closed. When business grew and more help was required the message went back to the home village in northern or central Italy and another local would leave the farm and set out for a richer life in distant Scotland.

The life was hard, but it provided a bedrock upon which a thriving, Scottish-Italian community has since grown. Now third and fourth generation families are so thoroughly integrated into Scottish society that only their names distinguish them from thoroughbred natives.

According to Dr Osvaldo Franchi, a Scots-born Italian, this integration has sometimes been too successful. "I think that if you look at any Scottish community you will find somewhere an Italian family; probably third or fourth generation who came across here because life in Italy was so poor. It is quite common to find highly placed civil servants. Because we feel it is important to keep alive cultural origins the Italian community started 15 years ago to run courses meeting every week and teaching Italian

Because he has remained so long between two cultures Dr Franchi sees more clearly the danger of Scottish Italians losing altogether their Italian identity as new generations grow up without a knowledge of the language or an appreciation of their roots.

"In a sense the integration has been too successful. Families may have arrived here as peasant labour but now the children of these families are emerging as doctors, teachers, accountants and highly placed civil servants. Because we feel it is important to keep alive cultural origins the Italian community started 15 years ago to run courses meeting every week and teaching Italian

Dr Franchi's father was the proprietor of a fish restaurant and ice-cream parlour in Glas-

gow. He was three when his mother died, and he was sent back to Italy to be looked after by his grandparents. Nine years later he returned to Glasgow.

His father was intent that he should not tread the same uncertain path as himself and encouraged him to always study. "It was the same with me, I had to study hard. The parents made great sacrifices which is why there is such a strong sense of family among Italians."

He took an MA degree at Glasgow University and then a law degree. More study followed in international private law and then in Italy at the University of Urbino. He now runs a thriving legal practice in Glasgow and last year was appointed honorary vice-consul for Italy in Glasgow and the west of Scotland.

"I think and I speak in either Italian or English. I am a British subject but according to Italian law I am still Italian. My life is really divided between Scotland and Italy so I am not quite sure what you would call me. I have a dual nationality."

His accent has a curiously flexible quality, shifting from strongly Italian and broad Glaswegian as the conversation requires. Because he has remained so long between two cultures Dr Franchi sees more clearly the danger of Scottish Italians losing altogether their Italian identity as new generations grow up without a knowledge of the language or an appreciation of their roots.

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## Mr Borrie moves in on the car spares market

What goes on in the car spares market—from differential pricing, according to where you buy, to the hold on the market by car makers' franchised garage outlets—will shortly come under the scrutiny of the Monopolies and Mergers Commission.

The investigation could be completed within 12 months rather than the two to three years or more which the commission normally spends on a monopolies investigation.

The subject has been a hot potato in Whitehall ever since the Price Commission delivered its a disturbing report last year. There were so many wrangles resulting from pressure from the trade, that the report ended up as the last to be published in the commission's list of reports.

It was probably the most heavily censored report ever to emerge from the commission; the Department of Industry apparently objected to the inclusion of commercially sensitive information claimed to be of likely benefit to foreign competitors.

The Conservative Government promptly handed over the report to Mr Gordon Borrie, Director General of Fair Trading, who was then in the process of being invested with additional powers under the Government's new competition legislation.

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sparking plugs, appearing to be set at "unreasonably high levels".

Some examples showed direct manufacturing costs to be less than a quarter of retail prices. Although margins were usually lowest on slow-moving parts like carburetors or cylinder heads, which were also usually sold through franchised outlets, these still carried a "substantial" cash margin, said the Price Commission.

High margins on parts sold by garages had the effect of making more labour and overhead costs, the commission suggested. If the motorist was more aware of the true costs involved he might be more inclined to resort to "do-it-yourself" or turn to specialised fitting centres which the commission had found generally gave good service.

The car makers' bid for the overall spares market by making parts for cars other than their own is another pressure on the competition component makers. This makes it necessary for artificial restrictions in the market to be rigorously examined, said the commission.

The commission also highlighted the cost burden created by the distribution system for some parts. The cost might go from a component maker to car manufacturer, through the car maker's distribution network and then on to franchise main dealers which then passed them to retailers and other distributors. A profit margin would be taken at various stages along the line, having a "profound effect" on the retail price "particularly to customers of garages".

The garage franchising system, which in the United States has a much smaller hold on the spares market than in Britain, gave car makers the ability to exclude from franchised outlets all but spares handled by their own distribution system even where the quality of parts from other sources was beyond doubt, the commission claimed.

The commission conceded advantages in franchising: in allowing car makers to present an attractive total package; in giving franchised outlets an assured volume of business and technical back-up; and for the motorist, where there was an assurance of service quality. The arguments were particularly strong during a car's warranty period, it was believed.

But the commission thought the franchising system sufficiently undesirable to want to do something even about spares supplied during warranty and added: "The exclusivity of supply of car parts resulting from the vehicle franchise system is an unreasonable restraint on competition and is a matter which ought to be rectified."

"The Monopolies Commission will have other issues to grapple with, among them some rebate systems for garages spares. There is also the question of how far throwing open the spares market would really mean to the benefit of the consumer."

The commission found that spares usually cost most in franchised garages and were cheapest in accessory shops. There was usually a higher profit margin on more frequently purchased spares, the suggestion being that some, notably oil filters and

sparking plugs, appearing to be set at "unreasonably high levels".

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## FINANCIAL NEWS

## Stock markets

## Slow start to account as buyers stay away

With investors still worried by the fighting in the Middle East and further gloomy news in the weekend newspapers, the new account got off to a slow start yesterday.

This was in spite of the huge amounts of cash the institutions are believed to be sitting on, part of it from the large number of dividends paid recently, with more to be paid this week. But buyers remained absent from most of the major investment sectors, and only the lack of selling pressure kept the market from falling even further.

Nevertheless, the FT Index opened 3.7 lower at 10 am, falling eventually to close at its low for the day 5.4 down at 475.5.

Only the oil sector encountered any strong demand as institutions, worried by the steadily worsening situation in the fighting between Iran and Iraq, anxiously picked up stock. But even this petered out by mid-morning with most prices closing off their best.

Tubbers were also worried by Friday's setback on Wall Street, which was set to repeat itself in after-hours trading. Of 12 million shares in Laird Group at £1 a share to finance its latest United States acquisition, little to help sentiment, especially as the placing was made 5p below the current level of 100p, a net fall of 5p on the day.

Gilt, too, remained subdued by the recent rises in United States prime rates and traded within narrow limits. Dealers reported falls of between 5p and 10p at the lower end of the market with losses of about 10p in shorts.

Leading industrials remained overshadowed by the setback on Wall Street and the continued fighting in the Middle East and

spent a quiet session. Weekend comment over a possible bid saw shares of Dunlop retreat 2p to 78p although further Far Eastern buying was reported. But it was described as thin. Falls were also seen in ICI, 4p off at 346p, Beechams, 2p to 154p, Glaxo, 4p to 248p, Unilever, 5p to 498p, with BATs at 276p and Fisons at 194p both 5p lighter.

Loss-making Thomson T-line Caravans held steady 5p above the year's low at 50p yesterday ahead of final figures today. Analysts expect little recovery, but word is a buyer has been found for the chairman's 60 per cent stake which came on offer in May. The shares have been up to 85p this year.

The worsening situation in Iran saw strong demand for oil by most of the major institutions, which surprised even the jobbers by its sheer size. Prices advanced strongly but retreated later on mainly as a result of profit-taking.

In the event, BP closed the day 2p easier at 382p while Shell on going ex dividend relaxed 12p to 412p. But

Ultramar, still going strong following whispers of a bid from Cons Gold, rose another 5p to 440p as Burmah firmed 1p to 187p and Tricentral at 378p and Lamo at 742p both up 10p a piece. Among second liners undergoing drastic re-rating, surged ahead 7p to 152p, accompanied by Berkeley Exploration 15p to 220p, Carless, Capel 5p to 167p and Mariner 10p to 163p.

But adverse comment on the building sector saw sharp marking down on several of the leading contractors. Taylor Woodrow dipped 8p to 447p, Costain 4p to 172p with Ready Mixed Concrete, reporting later today, 1p easier at 186p.

Rumours that the Monopolies Commission is likely to give its judgment on Blue Circle's bid for Armitage Shanks on Wednesday or Thursday caused some nervousness. But close observers believe Blue Circle will be the event, BCI slipped 2p to 350p with Armitage contractors 11p to 109p.

Shares of John Baker (Insulation), soon to be called Inter-video Video (Holdings), made

a bright return rising to 27p, after 29p, 12p above the offer price. The shares were originally suspended back in July this year.

On results, shares of Curry's the stores group jumped 10p to 223p following its bumper interim figures. Elsewhere in stores, Owen Owen rose 4p to 100p also after an interim statement. Cape Allman's full-year

The shares in Ancor Properties hardened 2p to 154p yesterday as the implications of the latest report and accounts were absorbed. The group will soon have vacant possession of one of its major properties, Coombe House in Malden, Surrey, and its reletting will boost assets to more than 200p a share.

Figures were up to expectations rising 1p to 70p, while a 40 per cent increase in profits helped Parker Knoll add 5p to 95p. But Advest dropped 4p to 168p after its trading statement.

Favourable weekend comment saw Geo Bassett climb 8p to 47p, Montague Meyer 2p to 95p, Black & Edgington 2p to 35p and Fine Art Developments 2 1/2p to 79 1/2p.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
Adcon, Cobden (I)	0.61(0.56)	0.093(0.11)	—	—	—	—
Arrow Chem. (I)	3.19(—)	0.21(—)	—	—	—	—
Capeats (F)	22.1(21.7)	1.5(1.33)	12.4(11.6)	1.8(2)	19/11	3.3(3.0)
Caravans (F)	195(174)	1.1(1.178)	2.4(2.4)	2.4(2.4)	1/1	1.5(1.5)
Cerys (I)	109(97)	4.49(4.57)	14.9(15.2)	1.5(1.2)	2/12	(7.5)
Energy Services (I)	5.7(4.4)	0.7(1.4)	1.22(1.14)	0.3(0.2)	2/1	(0.625)
F. G. Gates (I)	19.7(18.2)	0.73(0.96)	5.2(11.9)	—	—	—
Laird Group (I)	33.2(101.1)	5.43(5.6)	1.1(1.7)	0.8(0.73)	3/12	3.7(2.9)
Metallux (I)	12.1(10.2)	1.07(1.14)	—	1.0(1.0)	3/12	(2.73)
Owen Owen (I)	51.1(45.9)	0.38(0.21)	—	0.7(0.63)	2/12	(3.7)
Parker Knoll (I)	28.7(23.2)	2.5(2.2)	2.8(2.4)	0.7(0.63)	24/11	7.4(5.0)
Supra Group (I)	5.4(2.7)	0.45(0.46)	2.8(1.2)	—	—	—
C. & W. Walker (I)	5.1(5.5)	0.42(0.34)	9.14(5.58)	(1.3)	—	(3.35)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on gross basis. To establish gross multiply net dividend by 1.428. Profits are shown pretax and earnings are net. \* As forecast; † Loss; ‡ Adjusted for scrip issue.

## Interim loss at Arrow Chemicals

Arrow Chemicals Holdings lost £80,000 after a £67,000 tax credit in the half year to June 30 on turnover of £3.2m. There are no comparable figures as the previous accounts were for Reabrook Investment Trust and did not reflect the acquisition of Arrow Chemicals Group in July 1979.

The board said that trading conditions in the United Kingdom deteriorated progressively in the first half, and that the recession had particularly affected the Midlands and the North-west where the bulk of the company's customers are based.

The speciality maintenance and industrial cleaning chemicals business, suffered great pressure on margins.

## Downturn in demand hits Metallux results

By Catherine Gunn  
Birmingham engineering group Metallux (Holdings) was on target to beat its 1979 interim results this year until the very last month. But the decline in demand, which began in April, accelerated in June and hit Metallux's budgets.

Instead of increasing, the group's interim pretax profits to June 30 slipped from £1.15m to £1.07m. The reduction also reflects in part the absence of non-recurring Government grants this year. Group turnover rose by just over 19 per cent to £12.2m.

Mr John Wardle, the chairman, does not now expect the group's second half profits to match last year's £1.38m and so full-year profits look unlikely to better 1979's £2.53m pretax results. But the interim divi-

dent has effectively risen 10 per cent at 1.17p gross adjusting for the capitalization issue. Looking further ahead, Mr Wardle sees little likelihood of an improvement in trading conditions before the second half of 1981.

However, unlike many engineering groups just now, Metallux has improved its balance sheet. Last year's swing from a £135,000 credit balance to a "modest overdraft" of £299,000, excluding £155,000 in loans, has now been reversed, giving the group what Mr Wardle describes as a "substantial" credit balance again at June 30 this year.

The shares held steady at 51p yesterday, where they have a prospective yield of 7 per cent if the interim dividend, the final payout is maintained on the increased capital.

## First-half profits fall at Supra

Pretax profits of Mr Quinton Hazell's motor components noise control products company Supra fell by more than a third in the six months to the end of last May.

Although earnings before interest and tax are barely changed at about £457,000, a more than doubled interest charge brought the pretax figure down from £405,000 to £261,000. Turnover rose from £4.2m to £5m.

The profits bear the costs of moving MAS (Manufacturing) and Supra Engineering. Mr Hazell says these moves should yield substantial savings in transport and the cost of premises.

The group is paying an unchanged 1.7p gross interim dividend on capital increased by 12 1/2 per cent last year.

## Briefly

Rothschild Investment Trust EGM to change the trust's name to RIT Ltd convened for October 20. The trust, which has acquired a beneficial interest in 20,000 ordinary shares of Rothchild Investment Trust.

F. W. Woolworth S. C. Warburg Co Ltd announced that the offer made in behalf of Woolworth to acquire the whole of the issued share capital of B & Q have become unconditional. Acceptances, representing 96.7 per cent of the total number of new offers, have been received in respect of 18,934,413 new ordinary shares of 5p each of B & Q prior to the capital reorganization representing 96.7 per cent of the total number of new ordinary shares of 5p each of B & Q in issue.

C. and W. Walker Holdings: Turnover for the half-year to June 30 slipped from £5.5m to £5.1m, while the company made a pretax loss of £422,000, compared with a pretax profit of £100,000 in the corresponding period last year. A substantial part of the loss was made in the first quarter and when the loss had been reduced, it will not be possible to fully recover in the second half, board says.

Chambers and Fergus: Mr Harvey Michael Ross bought 100,000 ordinary shares (55 per cent) of the company. The purchase was financed by a loan from the company's bank.

Globe Investment Trust: Applications for the 70 million ordinary shares in "Electra" Investment Trust offered for sale by Globe reached for 41.5 million shares (59 per cent of stock offered). All applications accepted in full. Bankers will be taken up by subscribers.

Second City Properties: Mr C. L. Johnson, chairman, reports in his annual review that the current year has begun reasonably well. Company liquidations in England and Wales three-quarters of the way through 1980 are up by more than 50 per cent at 4,746, compared with the same period last year, according to Dun and Bradstreet.

H. and J. Quick Group: Mr N. Quick, chairman, reports in the interim statement that the group should be able to produce a similar figure to the first half of 1980.

Hotels: Turnover rose from £97,000 to £117,000 in the first half of 1980. Pretax profits slipped from £17,000 to £9,500. Frank C. Gates: Turnover for the first half of 1980, £19,72m (£18.29m), pre-tax profits £726,000 (£500,000). The pretax profit fall is due to interest charges.

Victor Products (Walsend) has bought 60 per cent of K. and S. Seattle (Engineers) and the business of K. and S. Co. Maynard: Mr H. Fraser Salmon, chairman, reports in his annual statement that the two industries in which the group is mainly involved—confectionery and confectionery—have experienced difficult conditions in the last 12 months. But in view of the results for the past year and the fact that sales for all divisions show an increase in line with budgets, the board faces the future with confidence.

Mr R. J. G. Williams has resigned. Mr J. Jefferson as director and chairman of the Midlands Trust. Mr Jefferson resigned.

Mr R. C. J. Epsley has been promoted to deputy managing director to managing director of the Essex Group.

Mr Richard Ellis becomes finance director of Bisco Concrete.

Mr Andrew S. Scoble has been selected as chairman of the Mail Users' Association.

Mr N. W. Roskill joined the board of Property Partnerships as a non-executive director. Mr A. A. Ryle, company secretary, and Mr D. T. A. Tann, project manager, have been named as associate directors of Property Partnerships. The company's main subsidiary.

Mr L. B. Cooke former director and general manager of National Westminster Bank, has joined the Society as a non-executive director and consultant. Mr J. R. Knight, general manager of the RLMIS, has been appointed a director.

Mr David Scott has been named managing director of General Foods from January 1, next.

Mr J. H. Forbes-Macpherson has become a director of Brownies and Company.

Mr George K. Jefferson has become a non-executive director of Public International Bank.

## Parker Knoll on target with 41 pc profits rise

By Rosemary Unsworth

Parker Knoll continues to brighten up the furniture manufacturing sector, and its full-year results, precisely those forecast by the chairman at the interim stage, showed a 41 per cent profit increase.

Pretax profits rose from £2,526,000 in the 12 months to July 31, with a turnover of £23.2m to £28.7m. The total gross dividend is to be boosted from 7 1/2p to 10p, with an increase from 5 1/2p to 5 1/4p in the final.

After a better-than-expected first half, the second half showed some effects of the recession, although profits held up to produce a trading profit of £1m for furniture, the same as last year, and a 17 per cent

improvement in the latter half of the year, although exports from the UK and Ireland, which sells at 10p, were expected to be a drag on the year.

Mr K. Raymakers, the fabric maker, acquired last year, for £2.2m, provided £225,000 trading profit, while Mr. Morgan Weavers performed well as a result of a decision to specialize in top quality custom made carpets. The company's trading profit was £25,000, an increase of 20 per cent.

Parker Knoll has not been immune from retail stockpiling and public expenditure cuts. The furniture designer went on to a three-day week in June, but the group plans to resume a four-day week in the current half year. The order book is "very good" although the company is to try to have a "policy" during the current year.

Textiles increased sales by £1m to £1.8m, but saw a drop in demand in the latter half of the year, although exports from the UK and Ireland, which sells at 10p, were expected to be a drag on the year.

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## Advest lifts dividend despite dip in profits

By Rosemary Unsworth

Advest Group, the engineering concern in which Rata has a 9.7 per cent stake, saw pretax profits slip slightly during the year, thus damaging its record for growth in the last few years. But the dividend has been boosted as forecast at the interim stage.

With turnover up slightly from £32.7m to £34m, pretax profits slipped by 5 per cent to £2.8m in the year to June 30. The engineering strike cost the group about £1m but the steel strike made little impact. However, the automotive division, which now accounts for 56 per cent of turnover, had intermittent difficulty supplying steering components to the Renaults and also generally found that demand dropped sharply in the third quarter.

The electrical division held up although the heating operation suffered from the mild winter while demand for pumps in the engineering side was constant.

Mr Ernest Walker, chairman, said the proposed final dividend of 7.5p gross would be a total of 20.5p, which is the 5p interim payment, compared with 9.6p gross last year.

The interest charge was reduced from £250,000 to £220,000, which was mainly for bank overdrafts. At the year-end, Advest had no borrowings. More than 850 people were made redundant during 1979-80 at a cost of £213,000, and a further 50 people have lost their jobs since the year-end.

We have a very good order book in hand, and we are confident that when the manufacturing comes we will be ready to take it, Mr Walker said.

He was reluctant to press this year's outcome, but added that the orders were down for the group.

The share price slipped 7p to 165p after the announcement.

## Favourable conditions continue for Smith Bros

Mr Anthony Lewis, chairman of Smith Bros, the London firm of stockjobbers, states in the 1980 report and accounts that the profit for the year ended April 25, 1980, amounted to £1.2m, compared with £280,000 in 1979.

The main factors influencing this recovery were, first, the increase in interest in "gold" shares, and secondly, the rapid rise in the bullion price in the opening months of 1980, and second, the increased turnover in the London equity market. There is also evidence that the abolition of Exchange Controls, which has reduced exposure to the very severe weaknesses in all the international areas of the Company's business.

He continues: "The favourable trading conditions which accompanied the recovery have continued into the first few months of the current year. Business in overseas stocks has also been active and I am hopeful that the recent changes in the Stock Exchange rules allowing us to trade with non-members will be helpful to us."

## Record half year for Pitney Bowes

Pitney Bowes Ltd—the Harlow Essex-based manufacturer of business and mailing equipment—defied the current economic conditions in the first six months of 1980. Its turnover and profits before tax were up 29 and 108 per cent respectively.

The agreement will involve Terex operations in the United States, Canada, Mexico, the United Kingdom (General Motors Scotland).

Neither the purchase price nor the terms of the agreement were disclosed. The effective date of the acquisition will be January 1, 1981.

IBH Holding is Europe's largest producer of light and medium duty construction equipment. It has 10 subsidiary companies with 7,350 employees worldwide and has forecast sales of £700m in 1980.

In a separate transaction GM

## Owen Owen losses grow in first half

Department store group Owen Owen has dropped deeper into the red, with substantial losses in its first half. The stock market, however, responded to a 10p rise in the share price to 100p.

Losses rose from £100,000 to £187,000 in the 26 weeks to June 30, while sales advanced to £25.1m, an increase of 11 per cent on the year.

Sales in the 23 United Kingdom department stores went up 12 per cent, but this increase was offset by a 10 per cent fall in the 11 stores in the Republic of Ireland. In the latter, the company's losses were £100,000, a level and sales showed a marginal dollar increase on the comparable period.

The group has opened a Robinson store in Kildare, Ireland, and another shop in Redditch, New Town. But because of the start-up costs and the consumer spending downturn, the latter countries neither will make a profit contribution this year.

But the outcome for the year is largely dependent on the pre-Christmas shopping period, the final quarter. Last year the group made a £1.5m pre-tax profit in the last quarter, but in the face of a difficult economic conditions, we remain hopeful that a credible result will be achieved.

Mr John Wardle, chairman, noted that the group's losses in the first half were £187,000, a level and sales showed a marginal dollar increase on the comparable period.

Black & Edgington's sale of offshoot

Black & Edgington's EGM, shareholders, approved the sale of the company's A-Line Caravans offshoot. The chairman said the sale meant the company's reduced exposure to the very severe weaknesses in all the international areas of the Company's business.

He continues: "The favourable trading conditions which accompanied the recovery have continued into the first few months of the current year. Business in overseas stocks has also been active and I am hopeful that the recent changes in the Stock Exchange rules allowing us to trade with non-members will be helpful to us."

## Slimmer margins for Energy Services

Net trading margins of Energy Services and Electronics declined in the first half of 1980, reflecting the poor economic conditions. By 30 June, pretax profits were 16 per cent greater at £708,000, compared with the first half of 1979, when they were £608,000.

With earnings per share up slightly, from 14p to 12p, the board is lifting the interim dividend from 0.35p to 0.42p.

## General Motors to sell Terex offshoot to IBH

Agreement has been reached for General Motors to sell its worldwide Terex earthmoving operations to IBH Holding of West Germany.

The agreement will involve Terex operations in the United States, Canada, Mexico, the United Kingdom (General Motors Scotland).

Neither the purchase price nor the terms of the agreement were disclosed. The effective date of the acquisition will be January 1, 1981.

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## Soviet maize crop falls behind schedule

Plant growth of the maize crop in the main growing areas of the Soviet Union was 1 to 20 days behind the long-term average at the beginning of this month, the East Bloc Agricultural Newsletter said.

Quoting the Soviet Maize Research Institute, it said the reason for the delay was the lack of warm weather.

Late ripening of the Russian maize crop frequently results in large areas being ruined, especially if winter weather sets in early.

## LME metal stocks

Stocks in London Metal Exchange official warehouses at the 'end of last week' (all in tonnes except silver, which is in troy ounces): Copper rose 2,475 to 125,250; tin fell 200 to 4,515; lead rose 2,175 to 72,625; zinc rose 75 to 61,700; aluminium rose 1,625 to 39,175; nickel fell 24 to 4,764; silver rose 220,000 to 26,570,000.

## Discount market

Very tight conditions prevailed in the discount market yesterday, with credit proving quite uncomfortable. During the morning, banks had been putting out fair sums at 15 and 15 1/2 per cent in the week and at 15 1/2 per cent for one-month. Closing balances were picked up in a band of 15-16 per cent. The bulk of reserve asset money dried up; raising needs for Treasury securities, prime rates to the dollar, further mild boost on foreign exchange markets yesterday and also brought renewed firmness Eurodollar rates. Market money was talking of tighter money by the end of the month and a disappointing set of American money supply figures, which will put fresh pressure on interest rates.

## Foreign exchange report

Cafes were made over Euro  
peans. Rice the mark, 1.8130  
(1.8040), Swiss franc, 1.6544  
(1.6475), guilder, 1.9685 (1.9600)  
and French franc, 4.2060 (4.1835).  
However, the pound kept  
relatively steady in a patchy trade  
that included some quarterly  
book-squaring. After extremes of  
\$2.3860 and \$2.3925 against the  
dollar, it closed at \$2.3905—just  
15 points off—while in the "cur  
rency basket" sterling finished  
unchanged at 76.1, after 76.0, at  
midday.

## Sterling Spot and Forward

Marketrates (day's range)	Marketrates (close)	1 month	2 months
New York 32,385-39,400	32,500-39,200	-65-55c prem	1,110-1,040 prem
Montreal 33,755-35,645	33,800-39,200	1,49-1,35c prem	2,55-2,40c prem
London 69,20-69,40	69,40-69,60	25-25c prem	50-50c prem
Brussels 69,20-69,40	69,40-69,60	28-15c prem	60-44c prem
Amsterdam 69,20-69,40	69,40-69,60	28-15c prem	50-50c prem
Dublin 11,855-13,550	11,850-13,500	28-15c prem	50-50c prem
Frankfurt 4,75-4,85 prem	4,75-4,85 prem	28-15c prem	50-50c prem
Libron 177,00-177,00	177,00-177,00	28-15c prem	50-50c prem
Madrid 177,00-177,00	177,00-177,00	28-15c prem	50-50c prem
Paris 177,00-177,00	177,00-177,00	28-15c prem	50-50c prem
Osaka 11,82-66,00	11,85-66,00	28-15c prem	50-50c prem
Zurich 10,52-0,71	10,52-0,71	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
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Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem
Frankfurt 503-510	503-510	28-15c prem	50-50c prem
London 503-510	503-510	28-15c prem	50-50c prem
Brussels 503-510	503-510	28-15c prem	50-50c prem
Dublin 503-510	503-510	28-15c prem	50-50c prem

Effective exchange rate compared to December 31, 1971 was unchanged at 75.10.

## Other Markets

Australia	2.033-2.046
Bahrain	0.9008-0.9035
Finland	8.733-8.772
Greece	100.8-102.8
Hongkong	11.9045-11.9445
Iran	not available
Kuwait	0.6375-0.9405
Malaysia	5.074-5.104
Mexico	54.25-55.75
New Zealand	2.427-2.447
Saudi Arabia	7.9655-7.9395
Singapore	5.0165-5.0465
South Africa	1.7820-1.897

## Indices

Bank of Montreal and Goldman Guaranty Trust Co. of Canada	Rates
Sterling	78.1
US dollar	83.9
Canadian dollar	80.4
Schilling	114.5
Belgian franc	110.6
Italian Lira	112.2
Deutsche Mark	112.8
Swiss franc	119.6
Guinea	120.2
French franc	200.4
Lira	200.2
Scandinavian	120.9
Spain	120.9
Ireland	2.0715-2.0735
Canada	1.1725-1.1735
U.S. dollar	1.1725-1.1735
Belgium	2.06-2.08
Denmark	5.3685-5.3810
West Germany	5.3685-5.3810
Portugal	50.26-50.38
Spain	31.82-31.83
Italy	262.50-263.00
Norway	4.8725-4.8750
Sweden	4.8725-4.8750
Switzerland	4.1625-4.1700

## Dollar Spot

Rates	
*Ireland	2.0715-2.0735
*Canada	1.1723-1.1726
Netherlands	1.9680-1.9680
Belgium	29.06-29.08
Denmark	5.3665-5.3910
*West Germany	1.3125-1.3135
Portugal	30.50-30.35
Spain	73.89-73.93
Italy	862.50-863.00
*Norway	4.8725-4.8750
France	4.2050-4.2065
Sweden	4.1625-4.1700
Japan	21.1400-21.1400

## Money Market

## Rates

Bank of England MLR 16%  
(Last changed 3/7/88)  
Clearing Banks Base Rate 16%  
Discount Mkt Loans %  
Overnight: High 15%      Low 15  
Week Fixed 15-16%  
Treasury Bills (Dhs%)

## EMS Currency Rates

	ECU central agency	currency against rate ECU	% change from central agency	% change adjusted	divergence limit plus/minus	1 m
Belgian franc	36.7897	40.4544	+2.17	+0.36	1.53	3 m
Danish krona	7.7236	7.3172	+1.40	-0.41	1.64	4 m
German D-mark	2.4206	2.3578	+2.16	-0.36	1.125	6 m
French franc	6.5596	6.6744	+0.17	+0.17	1.53	3 m
Dutch guilder	2.74392	2.75456	+0.40	-1.41	1.512	12 m
Irish punt	0.686301	0.674682	+0.97	-3.84	1.695	1 m
Italian lire	2036.268	1996.26	+2.01	-1.99	1.695	1 m

\* adjusted for sterling's weight in the ECU and

**Gold—**Gold fixed: am. \$387.25 (an ounce); pm. \$379.25 (close, \$363.50). Argentina (per coln): \$701.704 (\$28.50-289). Sovereigns (new): \$173-175 (\$72.25-73.35).

## Euro-\$ Deposits Gold

(C) calls, 11-12: seven days,  
12-13: one month, 13-14: three  
months, 14-15: six months,  
15-16: 12 months.

**Wall Street**

**Wall Street**

New York, Sept. 29.—Prices on New York Stock Exchange edged sharply lower with the index off 1.72 to 71.27 and the average price per share down 84 cents. The Dow Jones Industrial average fell 18.17 to 921.93, its first setback since a drop of 11.31 March 24. Declines swamped advances 1,583 to 136 as turnover eased 46,410,000 shares from

50,000 on Friday. Investors are speculating that if the FED tightens credit further, there will be no recovery until the first or second quarter of 1981 when investors were expecting an expansion. Gust 1980 quarter. Volume leader IBM rose to Honeywell two to 873, Texas Instruments two to 1263, Prime computers to 381, Mowhawk 11 to 253 and Tektronix to 11 despite increasing its dividend.

Luf tacked on 1 to 82, Home-Mining 10 to 634 and Campbell Red Lake 1 to 704, but Hecla and Inco fell. The latter was sold by Edward Minerals 43 to 493.

Millman rose 34 to 453, Hamilton one to 27 and celebrator-Frye 11 to 84.

Many pictures said to 34. The film said to 43.

### 5. Commodities

EX	SILVER	futures, having pulled	
		muster convincing support on	
		Nov., were pounded down the	\$100
		Oct. 025.00	
Nov.		Nov. 1,310.00c	Dec.
Oct.	Jan.	2,115.00c	Nov.
Nov.	Jan.	2,115.00c	July.
Oct.	Sept.	2,436.50c	May.
Nov.	Sept.	2,436.50c	March.
Oct.	May.	2,682.00c	July.

closed \$11 lower at \$691.653  
 drifting from US operators. NY  
 EX. Oct. \$699.00-673.00. Nov.  
 \$699.00-673.00. Dec. \$696.00-  
 \$714.80. June, \$651.50. Aug.  
 \$670.00. Oct. \$771.90. Nov. \$781.70.  
 Dec. \$781.90. March, \$781.90.  
 50: Aug. \$874.70. CHICAGO  
 Oct. \$764.75 asked. Dec. asked.  
 Nov. \$760.00 asked. March,  
 bid. April, \$821.00. asked.  
 COMMODITY PRICES  
 SOYBEAN OILFUTURES, moved  
 (June) 100 lbs. 100 lbs. 100 lbs.  
 65 to 2.50 cents in close  
 100 lbs. 100 lbs. 100 lbs.  
 contracts. Oct. \$9.50c. Nov.  
 Dec. 91.40-91.50c. Jan.,  
 91.40-91.50c. Feb., 91.40-91.50c.

[illegible]

## Authorized units, Insurance & Offshore Funds

[illegible]



**JULIE'S EAR**







